

COMMUNITY CULTURAL CENTER ROOM 111/ MICROSOFT TEAMS

INVESTIGATION AND AUDIT COMMITTEE

MAY 16, 2023

TO: Councillors Sebrina Wilson and Travis Simpson

FROM: Awet Tsegai, Chair

RE: **Tuesday, May 16, 2023 7:15 p.m. CCC Room 111**

This meeting is accessible through "Microsoft Teams" 1-929-235-8441
Conference ID: 224 419 015# or [Click here to join the meeting](#)

AGENDA

1. CALL TO ORDER
2. APPROVAL OF MINUTES
 - A. February 7, 2023
3. OPPORTUNITY FOR CITIZENS TO SPEAK
4. NEW BUSINESS
 - A. Review of RFP Auditor Results and Selection
5. OLD BUSINESS
6. ADJOURNMENT

cc: Mayor Walsh
Town Council
Melissa McCaw, Finance Director

INVESTIGATION AND AUDIT COMMITTEE

MICROSOFT TEAMS/ CCC 111

February 7, 2023

PRESENT Awet Tsegai, Temporary Chair; Councillors Sebrina Wilson and Travis Simpson

ALSO Melissa McCaw, Finance Director
PRESENT

This meeting will be accessible through "Microsoft Teams" at 929-235-8441. Phone Conference ID: 868 959 304# or [Click here to join the meeting](#)

CALL TO ORDER

Chair Tsegai called the meeting to order at 6:40 p.m.

APPROVAL OF MINUTES

December 29, 2022 Meeting

MOTION By Travis Simpson
seconded by Sebrina Wilson
to **approve** the minutes of the December 29, 2022 meeting of the Investigation & Audit Committee meeting.

Motion carried 3/0

Selection of Town Department for Procedural Audit

Director McCaw provided recent history of internal audits of process and procedure for the Town, which has included reviews of Public Works (2021), Parks and Recreation (2020), a network systems penetration test of Town and Board of Education computer systems (2018) and the Inspections and Permits department (2017).

The director stated that some of the factors used when selecting a department to recommend include factors of risk such as size of budget, organizational changes, handling of cash, checks and credit card payments, handling sensitive information and volume of grants. Upon review, the director highlighted the Police Department's private duty jobs program and the Department of Youth Services for the Committee's consideration.

The private duty program is a roughly \$1.2 million annual portfolio. The director reported that during the recent Town audit, the acquisition of consistent reporting from the department was considered a challenge, a considerable amount of manual work was

observed and given the receivables have grown recently, recommends the program for a review.

The Committee discussed consideration of evaluating current Grants procedures given the recently increased level of activity within the department. While the director concurred with the committee, given current limited staffing and bandwidth challenges, proposed that evaluation be more appropriate next year once headcount is increased.

MOTION By Sebrina Wilson
 seconded by Travis Simpson

to request that Clifton Larsen Allen undertake an agreed upon procedural audit of the Private Duty Jobs in FY23 and anticipate Grants Department in FY24 at a cost not to exceed \$10,000.00 annually.

ADJOURNMENT

MOTION By Travis Simpson
 seconded by Sebrina Wilson
 to **adjourn** at 6:57 pm

Motion carried 3/0

C: Town Council
 Mayor Walsh
 Melissa McCaw, Finance Director



MEMORANDUM

DATE: May 10, 2023

TO: Investigations and Audit Committee

FROM: Melissa McCaw, Director of Finance

TELEPHONE: (860) 291-7246

RE: **Request for Proposals (2023-25) - Professional Auditing Services**

The prior contract with CliftonLarsonAllen concluded with the completion of the audit for the FY ending 6/30/2022. The audit resulted in an on-time filing in December 2022 for the Annual Financial Comprehensive Report and State Single Audit. The Federal Single Audit was also filed on-time in March 2023.

The previous contract with CLA was the result of an RFP for services for a 5-year period concluding 6/30/2022. An RFP for Professional Auditing Services was issued on April 14, 2023, with submissions due on April 28, 2023. Such RFP was issued stating, "Proposals submitted will be evaluated by a three (3) member Audit and Investigations Committee selected by the Town Council."

Attached please find the original RFP and the responses from the two bidders, CliftonLarsonAllen, LLP and Marcum, LLP.

Below please find a financial summary and other qualifying factors:

Experience with Connecticut municipalities

- Marcum has 2 CT municipal clients.
- CLA has 54 CT municipal clients.

Financial Summary

		<i>Proposed</i>					
	2022	2023	2024	2025	2026	2027	5 Year Total
CLA	74,500	92,000	96,600	101,400	106,500	111,800	508,300
		23.5%	5.0%	5.0%	5.0%	5.0%	
Marcum	N/A	120,000	124,000	128,000	132,000	136,000	640,000
		61.1%	3.3%	3.2%	3.1%	3.0%	
Difference	N/A	28,000	27,400	26,600	25,500	24,200	131,700

Based on the RFP responses, experience with CT municipal clients and the cost proposal, an award to CliftonLarsonAllen is recommended. Please let me know if you have any questions. I will be present at the 5/16 Investigations and Audit Committee meeting to support discussion and evaluation.

cc: Michael P. Walsh, Mayor

AUDIT SERVICES PROPOSAL LETTER

April 28, 2023

Ms. Michelle A. Enman
Town of East Hartford
740 Main Street
East Hartford, CT 06108

Dear Ms. Enman:

We have read the Request for Proposal and fully understand its intent and contents. We certify that we have adequate personnel, insurance, equipment, and facilities to fulfill the specified requirements. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the selection personnel.

We have enclosed separate sealed envelopes for:

1. Technical Proposal
2. Cost Proposal (separate sealed envelope)
3. USB Thumb drive containing electronic copies of the proposals

It is further understood and agreed that all information included in, or attached to, the Proposal shall be public record upon delivery to the Town of East Hartford.

Very truly yours,
Marcum LLP



James Wilkinson, CPA
Partner



Kyle Connors, CPA
Director

Response to RFP #23-25

Fee Proposal for **Professional Auditing and
Agreed-Upon Procedures Services** for

Town of East Hartford

April 28, 2023

James Wilkinson, CPA

Phone: (401) 600-4709

James.Wilkinson@marcumllp.com

155 South Main Street, Suite 100
Providence, RI 02903

185 Asylum Street, 25th Floor
Hartford, CT 06103

MARCUM
ACCOUNTANTS ▲ ADVISORS

marcumllp.com

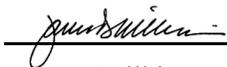
TOWN OF EAST HARTFORD, CONNECTICUT

RFP #23-25

PROFESSIONAL AUDITING SERVICES

RFP APPENDIX A – PROPOSAL FORM

Submitted By: _____ Submitted For: _____ Date: April 28, 2023

Signature:  Firm: Marcum LLP
 Name: James Wilkinson Address: 155 South Main Street, Suite 100
 Title: Partner Providence, RI 02903
 Telephone: 401.600.4709

Professional Staff Size

Total 4,100 firmwide
 Governmental Audit Staff: 125 in New England; 170 firm-wide
 Staff Assigned to Engagement 3-5

Connecticut Municipal Audit Clients:

- List 2022 Engagements for Municipalities of 40,000 Population or More and/or General Fund Expenditure of \$150 Million or More

We audit a number of municipalities in New England, including Cranston, RI; Burlington, VT; and Manchester, VT. Please see our representative client list on page 16 of our technical proposal for more cities.

- Certificate of Achievement Clients

Please refer to our representative client list in our technical proposal. Among our New England ACFR clients that have received a GFOA Certificate of Achievement are the Housing Authority of the City of Stamford (CT); Burlington, VT; Cranston, RI; Manchester, VT; Nashua, NH; Portland, ME; Concord, MA; North Kingstown, RI; and South Kingstown, RI.

AUDIT FEE	FY23	FY24	FY25	FY26	FY27
TOTAL AUDIT FEE (all inclusive)	\$ 120,000	\$ 124,000	\$ 128,000	\$ 132,000	\$ 136,000

Note: Fees submitted shall be fixed fees for the total engagement. No additional sums will be paid for expenses.

PROFESSIONAL FEES

At Marcum LLP (“Marcum”), our goal is to minimize the costs of our services while adhering to the highest level of professional standards. Our mission as a professional services firm is to maximize the value of the services we provide to our clients by maintain a high level of efficiency without compromising quality.

Billing Assumptions

We made the following assumptions in arriving at our estimated fees:

1. Client resources that we need to perform our work will be made available to us in a timely fashion. Specifically, suitable workspace for our staff and equipment, adequate access to your computer systems, internet access for our staff to receive and send email, access to the building, etc.
2. All document requests and other information required by us will be delivered to our team members within timetables determined during the planning phase of our engagement or on a timely basis if requested during the course our audit.
3. Information that we receive to perform our work will be accurate and complete.
4. There are no unforeseen circumstances that will prohibit us from working efficiently.
5. There are no disagreements concerning possible audit adjustments that cannot be resolved satisfactorily in a timely matter.

Out-of-Pocket Expenses

The aforementioned fee is all-inclusive. Marcum will not bill for direct out-of-pocket expenses, including but not limited to: travel, cost of report production and postage. Marcum will also waive our standard administrative fee, an allocation of overhead expenses that are not billed as direct reimbursable expenses.

Additional Professional Services

We are available to provide a variety of other services to Hartford. These services will be discussed in advanced, agreed to in an addendum to the contract and billed at a discounted hourly rate.

Manner of Payment

Our invoices for these fees will be rendered monthly as the work progresses, and are due and payable upon presentation.

Response to RFP #23-25

Technical Proposal for
Professional Auditing Services for

Town of East Hartford

April 28, 2023

James Wilkinson, CPA

Phone: (401) 600-4709
James.Wilkinson@marcumllp.com

155 South Main Street, Suite 100
Providence, RI 02903

185 Asylum Street, 25th Floor
Hartford, CT 06103

MARCUM
ACCOUNTANTS ▲ ADVISORS

marcumllp.com



April 28, 2023

Ms. Michelle A. Enman, Purchasing Agent
Town of East Hartford
740 Main Street
East Hartford, CT 06108

Dear Ms. Enman:

On behalf of Marcum LLP ("Marcum") and our client service team, we are pleased to present our proposal to provide auditing services to the Town of East Hartford ("East Hartford", "you" or the "Town"). We appreciate the opportunity to participate in your proposal process and understand the importance of appointing the right firm as the East Hartford's independent public accountants.

Ranked among the top 15 firms in the nation, Marcum offers resources of 4,100 professionals, including 550 partners, in 50 offices nationally and internationally. Marcum is a member of the AICPA's Government Audit Quality Center. In addition, we are nationally recognized within the financial and underwriting community with membership in the Center for Public Company Audit Firms of the AICPA and registration with the Public Company Accounting Oversight Board.

We are confident we can provide the type of professional and responsive service that the Town of East Hartford deserves. With new accounting pronouncements being issued, as well as changes to federal and state regulations regarding compliance, and State and Federal single audits, we stand ready to help the Town navigate through this information by serving as a dependable resource for these matters.

Our professionals are experienced with municipal and government operations, committed to the public sector, and ready to provide unequalled proactive service. This proposal demonstrates Marcum's ability, desire and commitment to serve you in a responsive and efficient manner.

As a part of our audit process we will conduct the following activities:

- ▶ Issue pre-audit correspondence to the Town Council and/ or Audit Committee
- ▶ Conduct an audit in accordance with generally accepted auditing standards, established by the American Institute of Certified Public Accountants, the standards set forth for financial audits in the *Government Auditing Standards* issued by the Comptroller General of the United States
- ▶ Conduct an audit of major programs in accordance with the provisions of the federal Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Guidance 2 CFR part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Subpart F – Audit Requirements and Connecticut State Single Audit Requirements
- ▶ Perform Agreed-Upon Procedures for the School End of Year School Report EFS Certification for the Board of Education
- ▶ Provide an independent opinion on the Town's annual financial report
- ▶ Report to the Town on the auditing process, findings and recommendations

This proposal encompasses all requirements as set forth in the Town's RFP for Professional Auditing Services. We are committed to performing your required audit and AUP services within the timeline specified in the RFP. Provided all of the documentation is provided timely, we expect to issue the final audit and agreed-upon procedures reports by December 15th of each year, though we will endeavor to issue by November 30th.

Some of the terms and conditions in this proposal to provide audit services may need to be tailored more appropriately and some additional terms and conditions may be necessary. Should Marcum's proposal be accepted, we will negotiate a mutually satisfactory engagement letter with East Hartford covering the services proposed and the parties' relationship for these services. This proposal is contingent upon successful completion of Marcum's acceptance procedures.

Marcum welcomes the opportunity to provide services to the Town of East Hartford. This proposal, for year ending June 30, 2023, with an option to renew for four additional years, is a firm and irrevocable offer for 90 days following the submission period. If you have questions or would like to discuss any aspect of our proposed service plan, please do not hesitate to contact James Wilkinson at (401) 600-4709. We look forward to speaking with you in the near future.

Very truly yours,
Marcum LLP



James Wilkinson, CPA
Partner

Authorized to represent and contractually bind the firm



Kyle Connors, CPA
Director

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1. EXECUTIVE SUMMARY

Who We Are?

- ▶ One of the largest public accounting firms in the Nation
- ▶ Ranked in the top 15 by Accounting Today
- ▶ More than 70 years in practice
- ▶ 4,100 professionals, including 550 partners, in 50 offices nationally and internationally
- ▶ Member of the AICPA's Government Audit Quality Center
- ▶ Nationally recognized within the financial and underwriting community with membership in the Center for Public Company Audit Firms of the AICPA and affiliation with the Government Accounting Standards Board

Service Philosophy

- ▶ Engagement team with extensive government industry experience
- ▶ Partners actively involved with client
- ▶ Responsive service, personal contact and significant ongoing partner involvement in all areas
- ▶ All decisions made locally and timely
- ▶ Broad domestic and international resources through Marcum's own offices as well as the Leading Edge Alliance, Ecovis and DFK International

Engagement Approach

- ▶ Periodic and scheduled meetings with management to discuss audit issues
- ▶ Involvement of professionals with requisite skills and experience
- ▶ Commitment to continuity of engagement team
- ▶ Deliverables completed within mutually agreed-upon timeframes

Scope of Services

- ▶ Audit of East Hartford's financial statements for the year ending June 30, 2023, including annual ACFR and Single Audit reports, with an option to renew for four additional years
- ▶ The Town of East Hartford Board of Education End of Year Financial Report (EFS) Agreed-Upon Procedures Report for the aforementioned periods

Engagement Team

- | | |
|-------------------------------|------------------------------|
| ▶ Engagement Partner | James Wilkinson, CPA, CITP |
| ▶ Audit Director | Kyle Connors, CPA |
| ▶ Engagement Quality Reviewer | William Sawicki, CPA |
| ▶ Audit Senior Manager | Christine Kolev Mulhern, CPA |

2. INDEPENDENCE

Marcum's policy is that all professional personnel be familiar with and adhere to the independence, integrity, and objectivity rules, regulations, interpretations, and rulings of the American Institute of Certified Public Accountants, the state boards of accountancy and CPA societies, Government Auditing Standards issued by the Comptroller General of the United States, relevant statutes, and applicable regulatory agencies. In addition, all professionals – from partner to staff auditor – are required to sign affidavits annually attesting to their independence.

We affirm that Marcum LLP is independent of the Town of East Hartford as defined by the AICPA, Generally Accepted Auditing Standards and the U.S. General Accounting Office's *Government Auditing Standards*. Further, no conflicts exist that would inhibit our ability to perform this audit in accordance with professional standards.

Our quality control document contains detailed policies related to maintaining independence. These policies are the most stringent policies adopted by the AICPA and the various state boards of accountancy. Engagement team members are required to consider any possible situations where independence may be impaired during the acceptance or continuance process and if any arise during the performance of an engagement.

3. LICENSED TO PRACTICE CONNECTICUT

We affirm that Marcum LLP is a licensed certified public accounting firm and is in good standing with all regulatory agencies. The Firm is properly licensed and certified to practice in Connecticut and is registered with the Connecticut Board of Accountancy. Marcum is a member of the American Institute of Certified Public Accountants (AICPA) and the Connecticut Society of Certified Public Accountants (CTCPA). All professional staff, upon successful completion of the CPA exam, become members of the AICPA and their local state CPA society.

James Wilkinson and Kyle Connors are "key" team members. The key team members assigned to this engagement are licensed to practice as certified public accountants by the State of Rhode Island and are qualified to practice in Connecticut. Each individual on the engagement has maintained the required CPE in government accounting and has attended an Ethics course for CPA's.

4. FIRM QUALIFICATIONS AND EXPERIENCE

Firm Profile

More than **70-year** history of helping clients resolve their greatest business and personal financial challenges.

Founding member of **LEA Global**, the largest worldwide group of independent accounting practices

Exclusive U.S. associated partner firm of **ECOVIS International**, a global accounting and advisory network

Leadership in **DFK International**, one of the world's leading international associations

Marcum LLP is a national accounting and advisory services firm dedicated to our clients achieve their goals. Since 1951, clients have chosen Marcum for our insightful guidance in helping them forge pathways to success, whatever challenges they are facing.

Marcum offers a complete spectrum of assurance, tax and advisory services, as well as an extensive portfolio of industry-focused practices with specialized experience for both privately held and publicly registered companies, governments and quasi-government agencies, as well as nonprofit and social sector organizations. The Firm also provides a full complement of technology, wealth management, and executive search and staffing.

Headquartered in New York City, Marcum has offices in major business markets across the U.S. and select international locations.

CLIENT-DRIVEN

Understanding our clients' businesses, helping them identify their needs and meet their challenges, and uncovering opportunities that propel them towards success is Marcum's mission. Our own success is based on our commitment to building meaningful, trusted relationships with our clients, creating positive service experiences, and delivering unexpected value wherever and whenever we can, while maintaining our professional independence and objectivity.

Marcum is committed to providing the most thorough, insightful, and expeditious service, according to the highest ethical standards.

COMMITMENT TO EXCELLENCE

From the way we service clients to the training and development of our professionals, Marcum is committed to excellence in every aspect of our service offerings.

Our focus on client success compels us to look beyond the numbers to see the opportunities, challenges, and solutions in every engagement. Innovation, proactivity, teamwork, and open communication are the hallmarks of our approach.

Visit www.marcumllp.com for a complete list of our services.

Why Marcum

Marcum delivers the industry experience and in-depth skills that you may find at other national accounting firms but with a stronger commitment to regional client service provided by a team from our Providence office and a more economical fee structure. We come equipped with decades of experience in providing audit services to the State of Connecticut, government and quasi-government agencies at both the state and local levels. For these entities, we have performed risk assessments and have responded with appropriate strategies and sharing best practices.

Marcum specializes in providing quality and independent audit services with a detailed plan and communication strategy that promotes reliability in our methodology and value in our reports. We have built our reputation on providing high quality value-added accounting services with superior technical capabilities. Our clients tell us we deliver industry specific experience with unmatched quality and partner-level attention. Our reputation for delivering exceptional quality and client service is a direct result of the hands-on involvement and level of attention from our partners, directors and managers.

An important element of our approach is providing constructive services for the purpose of helping you improve internal accounting controls, operating efficiency and the effectiveness of your administrative practices. Because of our position as independent auditors, our experience with governmental entities and our knowledge of financial and accounting systems, we expect to make recommendations that are useful and important. We consider constructive services to be a logical and important by-product of our audits and, accordingly, they will be a significant part of our overall services to the Town of East Hartford.

Our recommendations are presented in reports, which will include recommendations we believe warrant attention. Additionally, we will use these reports to advise East Hartford's management of recommendations to enhance the overall effectiveness of East Hartford's operations. In addition, we will continually communicate important changes or proposed changes in accounting and regulatory matters to assist the Town's management in assessing the impact of such changes on East Hartford's operations. We will discuss our recommendations with management prior to issuing a report, and we will communicate our ideas as significant recommendations are developed, rather than waiting until the conclusion of our audits.

Firm Overview and Locations

Marcum is an accounting and consulting firm with its New England offices Connecticut (Hartford, New Haven and Greenwich), Rhode Island, Massachusetts, New Hampshire and Maine. With a total staff of approximately 4,100 full-time associates, we are among the top 15 firms in the nation. Nationally recognized within the financial and underwriting community, we are a member of the Government Audit Quality Center, Center for Public Company Audit Firms of the American Institute of Certified Public Accountants and registered with the Public Accounting Oversight Board. It is worth noting that our Providence office is a significant provider of governmental auditing services in the New England region.

In addition, Melanson P.C., a large regional CPA firm, recently merged into Marcum LLP nearly doubling the size of our New England governmental practice, adding considerable large city experience including the City of Lynn, MA, City of Manchester, NH, City of Portland, ME and City of Burlington, VT.

Our considerable experience with municipalities and government clients has put us in a position to serve you best. We have outlined certain factors that make us qualified to serve you, especially after having reviewed your request for proposals and your auditing needs.

Current Organization of the Firm

Marcum is a Limited Liability Partnership that was established in 1951 in the state of New York. Jeffrey Weiner is the current Chairman and CEO. He is supported by an Executive Committee, which consists of leadership throughout the U.S. As a partnership and national CPA firm, Marcum has 550 partners. A full listing of partners is available at www.marcumllp.com.

Experienced, Local Team

The engagement leadership team, led by James Wilkinson and Kyle Connors, is based in Marcum's Providence office located at **155 South Main Street, Suite 100, Providence, RI 02903**. They will also be supported by staff and senior staff associates at our Connecticut offices located at **555 Long Wharf Drive, New Haven, CT 06511** and **185 Asylum Street, Hartford, CT 06103**.

The management and staff responsible for these services are highly qualified, with in-depth experience in auditing, accounting and management advisory services. Based in Connecticut and Rhode Island, our team offers local access to key resources. Based upon a review of East Hartford's financial statements we estimate three to five staff will be assigned to the engagement at any one time. At a minimum, one supervisory level staff will be on hand at all times. Each member of the team is a full-time employee. No subcontractors will be used during the engagement.

Our Commitment to Quality

Our philosophy of providing quality professional services ensures the delivery of the best resources when you need them most. Our approach helps to alleviate your long-term costs and provides for a smooth engagement process.

We are committed to quality and integrity. To demonstrate this commitment, we have acquired memberships in various quality oversight organizations.

Marcum audits numerous public companies and is registered with the Public Company Accounting Oversight Board (PCAOB) and is subject to its quality control standards. We belong to the Center for Public Company Audit Firms of the American Institute of Certified Public Accountants (AICPA), the Private Companies Practice Section (PCPS) of the AICPA, and the Government Audit Quality Center of the AICPA. Member firms must have their quality control systems periodically reviewed by independent peers to evaluate:

- ▶ Quality control policies and procedures that provide the firm with reasonable assurance for complying with professional standards.
- ▶ The quality control system for accounting and auditing compliance with specified requirements and standards.
- ▶ Compliance with membership requirements.

We are dedicated to establishing a high level of quality control and we continue to subject our practice to peer review as dictated by the current regulatory environment. We have also instituted our own internal monitoring procedures to further secure Marcum's reputation as a quality-driven, results-oriented firm.

Peer Review

Marcum has never had any referrals to any government agencies or state licensing boards for sub-standard work nor did we have any quality control findings from our last peer review. The AICPA's National Peer Review Committee accepted our last peer review report on December 11, 2020. A total of 75 engagements were reviewed, including governmental agencies, single audits and HUDs. A copy of the report on Marcum's most recent external quality control review is included with this proposal, showing an unqualified opinion with no letter of comments.

Internal Monitoring

Each year, Marcum performs an internal inspection of the audit practice as part of its monitoring as required by professional and firm standards. This includes a self-assessment, performed on the same basis as an actual independent peer review, by senior audit executives qualified as peer reviewers. Testing of policies and procedures and review of actual engagements is the same for the inspection and the peer review. This ensures that our work is always performed at the highest level.

Complaints and Marcum Involved Litigation

Neither the firm nor any of its partners have had any complaints against them by the state board of accountancy or any other regulatory authority. Additionally, there is currently no litigation involving Marcum that will have a material impact on Marcum.

Desk Reviews and Disciplinary Actions

There have been no desk reviews or field reviews by federal or state agencies during the past three (3) years. In addition, there has been no disciplinary action taken against the firm or its personnel by state regulatory bodies or professional organizations within the past three (3) years. There has been no litigation involving audit services within the past three (3) years.

Educational Services

We provide regular, internal educational programs to our staff to keep them abreast of changing accounting methodologies, audit issues and industry specific regulatory matters. Many of our industry experience make presentations to our clients and various trade associations. Our team participates in a variety of educational programs through trade and professional organizations as well. All engagement management and staff meet or exceed the continuing education requirements set forth by the Connecticut State Board of Accountancy and Government Auditing Standards. Staffing will be either certified public accountants or those in the process of completing such certification.

Insurance Coverage

We have reviewed your insurance requirements in your RFP. Marcum maintains a variety of liability coverage, including, but not limited to, those indicated in your RFP:

- ▶ Professional Liability
- ▶ Commercial General Liability
- ▶ Workers' Compensation and Employers' Liability
- ▶ Automobile Liability
- ▶ Excess Liability
- ▶ Cyber Liability

In the event that Marcum is awarded the Town's contract for the provision of audit services, we will provide a certificate of such insurance issued by a corporation licensed or authorized by the Commissioner of Insurance to do business in the State of Connecticut if requested.

Governmental Industry Experience

Marcum's public sector services is one of the Firm's specialty industry sectors and focuses on local governments like East Hartford and other government entities. Our firm has significant experience with municipalities. To date, the New England offices employ more than 125 audit professionals who have provided services to a multitude of governmental clients. Our governmental assurance professionals have in-depth understanding of the complex economic and political environment in which these entities operate. Their knowledge and experience allows us to provide the highest level of professional service to our government clients.

The firm has a governmental group dedicated to keeping up with changes in GASB standards and statements. This dedicated group will be available to guide you through any questions you may have to ensure the Town is GASB compliant.

The assurance services we provide to government entities includes single audits, pension audits, compliance audits, forensic audits, IT audits, internal audits, GASB implementation, financial statement and Annual Comprehensive Financial Report ("ACFR") preparation and assistance, performance or operational reviews and a wide range of consulting services for local governments.



Familiarity with Government Auditing Standards

We are thoroughly familiar with generally accepted accounting principles for state and local governmental units and with generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants; Government Auditing Standards issued by the Comptroller General of the United States; the Single Audit Act of 1984 as amended; and U.S. Office of Management and Budget (OMB) Guidance 2 CFR part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Subpart F – Audit Requirements, sections 4-230 through 4-236 of the Connecticut General Statutes (the State Single Audit Act), and will conduct our audit and report in accordance with those standards.

Single Audits

We have conducted hundreds of federal, state, and local Single Audits and are knowledgeable of all requirements under OMB Uniform Guidance and required by the State of Connecticut.

To stay on top of changing audit requirements, our firm participates in various AICPA trainings and our team receives annual single audit training that involves all aspects of a single audit, including internal controls, compliance, financial reporting, the Data Collection Form, Yellow Book and audit effectiveness. A significant portion of this training also includes discussion about single audit quality and current topics discussed in the AICPA Audit Guides and Audit Risk Alerts. We leverage our training and experiences across the Firm to benefit our clients through improved audit methodology and work programs. Furthermore, we proactively ensure all of our affected clients understand the impact of any new regulations on their organization.

Information from the Federal Audit Clearinghouse for 2020 shows that Marcum was the #1 provider of single audits in New England based on number performed and #4 provider when program awards expended is measured, with almost \$1.6 billion in coverage.

Since we perform a substantial amount of single audits annually, our single audit working papers are routinely reviewed by federal and state agencies as well as peer reviewers. We have not had any findings regarding substandard work and, in fact, have had many comments about the excellent quality of our audit files. Included in our external peer reviews are many single audit files which have not received any comments in this area for many years.

With this experience, we are able to provide a robust amount of knowledge as it relates to the Town and your engagement team has the necessary experience to assist you with Federal and Connecticut single audits.

GFOA Certificate of Achievement Program



Marcum assists clients who participate in the GFOA Certificate of Achievement for Excellence in Financial Reporting Program. This program is recognized as the highest award in government financial reporting. The Certificate of Achievement has been awarded on all of the financial statements for participating clients, including first time submissions. Several members of Marcum are special reviewers for the GFOA Certificate of Achievement Program, including **Branden A. Lopez who has been a special reviewer for the**

Certificate Program since 2018 and Moises D. Ariza who has been a Certificate Program reviewer since 2014.

Municipal Bond Issuers Experience

Related Audit Clients

- Rhode Island Commerce Corporation
- Rhode Island Student Loan Authority
- Rhode Island Health and Educational Building Corporation



Municipally-Owned Public Utilities

Marcum's government team maintains a deep knowledge of Governmental Accounting Standards Board (GASB) standards, Government Auditing Standards (Yellow Book) and Federal Energy Regulatory Commission (FERC) reporting requirements. Our extensive knowledge of municipally-owned public utilities issues enables us to provide proactive audit and consulting services. We keep abreast of changes and trends involving relevant accounting matters and have experience with limited review of interim financial statements at the time of bond sales as well as limited reviews of official statements and special accounting or other technical advice in areas such as taxes, benefits, rate design, and various other utility related areas.

Firm's Participation on Boards and Committees

The partners, directors, and managers of the Firm are actively involved in recognized standard setting organizations at the national, state and local level. These organizations include the **Government Finance Officers Association (GFOA)**, **Rhode Island Government Finance Officers Association** and the **Massachusetts Society of Certified Public Accountants**. In addition, Marcum is a member of the **AICPA's Governmental Audit Quality Center (GAQC)** and the **AICPA Employee Benefit Plan Audit Quality Center (EBPAQC)**. We have made a commitment to the sector by providing a dedicated core team that understands the sector's strategic priorities. Our involvement in these organizations demonstrates our commitment to the public sector and helps keep us on top of issues affecting government entities.



Thought Leadership



Marcum is also committed to providing professional development programs to those involved in the government sector. **For the past 26 years, Marcum has presented an annual Government Symposium, an 8-hour accounting and auditing seminar that focuses on current developments in government**

affairs, including accounting, legal and operational topics. We encourage our clients and non-clients alike, to attend this technical (CPE) Symposium at no cost. During 2021 and 2022, our Annual Government Symposium was hosted virtually. Additionally, Marcum provides more than 40 virtual courses that can be attended live or at a later date. All Marcum clients have access to this database at no cost.

Client Service Standards

At Marcum, we strive to deliver an unparalleled service experience by placing what you value most at the heart of our relationship. Here is what you can expect from Marcum:



1. RELIABILITY

You can count on us to be here when you need us.

You can depend on your Marcum service team to be reliable, responsive, and accessible. We aim to answer your questions, fulfill your requests, or simply set a time to talk when you need us.



2. SINCERITY

You can expect us to genuinely care about your experience.

We believe great service requires both exceptional talent and a genuine desire to meet and exceed your expectations. We work hard to offer added value to you, whenever and wherever we can.



3. PERSONALIZATION

Your needs drive how we support you.

We seek to understand your needs and preferences so we can provide you with the experience you deserve. This means we will get you the information you want, when you need it, in the way you wish

to receive it. We are committed to working with you, in creative and customized ways, to maximize value and minimize friction within the boundaries of our professional standards.



4. CONFIDENCE

You can have peace of mind knowing we are in your corner.

We know you turn to us for support in areas that can be both thrilling and overwhelming. That's why we not only educate you about the strategy behind our recommendations, but we provide you with options and guide you through them. We work hard to remove uncertainty so you feel confident in our approach to every engagement – big or small.



5. TRUST

Your trust is the foundation of our partnership.

We endeavor to earn your trust from the first moment we meet and work every day to uphold it. We never take the responsibility of supporting you and your business lightly, and are honored to play a part in fueling your success.

Extended Relationships

Marcum's client service philosophy goes beyond just conducting audit, tax and compliance work. We place a high emphasis on client relationships and communication. We find that the way we provide the best value to our clients is through continuous interaction, and by being available, proactive, and responsive to our clients. We make a point of regular attendance at industry events so that we can keep up-to-date with emerging issues and trends in the industry and regulatory matters. We feel that by staying actively involved and talking to people in the industry, we are able to bring ideas and knowledge to our clients.

With economic uncertainty as a result of the COVID-19 pandemic, we have been there every step of the way to assist our clients in understanding the risk and accounting factors to consider. Whether it be transitioning to a fully remote audit, or keeping clients abreast in the changes in Federal funding sources and compliance requirements, our clients have come to us to discuss their situations and collaborate within boundaries of professional standards on solutions.

The quality of our work is supported by our clean peer review reports. Another benefit that we bring to the table is the amount of time we spend with our clients. Our clients come to us often with questions about accounting issues, how to implement various requirements, how best to treat a certain transaction, etc. We get close to the issues and have been able to develop extensive experience by researching and answering these questions. We are confident that we have the capabilities and experience to meet (and exceed) East Hartford's expectations. We have a true willingness to work with clients to meet their needs (we work to our client's deadlines, as opposed to expecting our clients to work their deadlines around us) and to build a long-term relationship that adds value outside of just performing the audit and leaving. That is really the core of our service philosophy. We offer competitive, transparent pricing – we are not going to bill for every question or every phone call. We will attend meetings as needed, etc. We want to not only be your audit firm but also a trusted resource to East Hartford throughout the year.

Marcum views the role of an accountant as a proactive and creative team player, offering both practical and technical concentration in business matters. In all that we do, we strive to consistently exceed our clients' expectations by working with them to resolve various types of business issues.

5. PARTNER, MANAGER AND STAFF QUALIFICATIONS AND EXPERIENCE

The experience of the personnel assigned to the engagement is critical to providing East Hartford with an effective and efficient audit. Their prior experience will be invaluable to the engagement. These are the professionals who will be on the job on a day-to-day basis; they need to be experienced in auditing government entities. These professionals are familiar with the complexities of governmental accounting, auditing and financial reporting, including all GASB pronouncements, the Federal Single Audit Act, OMB Uniform Guidance, fund operations, and Connecticut State Laws.

The team members assigned to this engagement are licensed to practice by the State of Rhode Island. James Wilkinson, Lead Audit Partner and Kyle Connors, Audit Director, are the “key” team members. As stipulated in the RFP, removal or replacement of key team members are subject to approval by the Town.

Provided below is a brief description of each individual's role in your audit. Our commitment to active participation in local government organizations is included in the resumes in **Appendix B**.

James Wilkinson, CPA, CITP

Partner

Mr. Wilkinson will assume full responsibility for the engagement and will maintain continuous contact with East Hartford management. He will be available to members of the engagement team and management as a high-level technical resource. He also will review the financial statements, related independent auditors' reports and other documents to ensure that industry standards have been adhered to and that the financial statements are in conformity with Firm and authoritative pronouncements regarding disclosure, format, terminology, etc.

Kyle Connors, CPA

Director

As the audit director, Mr. Connors will be responsible for the planning and direction of the audit, developing audit programs, selecting and assigning personnel and reviewing all phases of the audit. Mr. Connors also has 12 years of experience directly working in municipal accounting and over a decade of working with Federal and State single audits. He will also maintain contact with the Town's personnel, coordinate ongoing work and advise management on the status of the engagement. Mr. Connors will also report to the audit partner.

William Sawicki, CPA

Engagement Quality Reviewer

As quality control director, Mr. Sawicki will be responsible for reviewing the form and content of the audit workpapers and the auditor's report as well as the review of the financial statements in accordance with Firm and professional standards.

Christine Mulhern, CPA

Senior Manager

As the audit senior manager, Christine Kolev Mulhern will be responsible for the supervision of the staff and will review all workpapers they prepare. She will be responsible for addressing complex audit areas and keeping the director and audit partner informed of the engagement progress. She will be on site as requested by the Town and Board of Education.

In addition to the service team above assigned to this engagement, we have a team of seniors and staff accountants with extensive experience in serving municipal organizations. Our team members are among the most talented in their field and have outstanding reputations.

A premier team of professionals will serve you. Team members possess concentrated experience serving the accounting, auditing, tax and business consulting needs of a variety of governmental organizations and were selected because their ability best matches your needs. Additionally, we pride ourselves on year round interactions with all our clients, through direct phone conversation, in-person meetings and weekly email industry communications.

Continuity of Engagement Personnel

One way in which Marcum strives to exceed expectations is through its commitment to continuity of staff on a year-to-year basis. We recognize that the relationship that develops between our professionals and your management team over time is integral in the delivery of quality service. Since our professionals will be spending significant amounts of time and effort learning about your operations, providing continuity of engagement staff makes good business sense for everyone involved. **Therefore, the team you engage today, unless you request otherwise, is the team that will be assigned routinely to provide services to you.** Marcum has historically had staff turnover that is significantly below the industry average.

Engagement Staffing and Assignment

As is the standard for auditing in our firm, engagement management above will also be on hand at various times to perform certain fieldwork tasks. We believe this approach provides certain efficiencies in completing the work and serves as an on-site resource.

We anticipate staffing to remain consistent over the term of the engagement. However, we guarantee that for any staff changes, new staff will be comparable in experience and continuing education requirements. No changes in engagement management are anticipated or planned.

The individuals, whose resumes are included in the appendices, will serve as engagement management. In addition, we plan to support the leadership team with experienced personnel from our Providence office. Each team member is licensed as a certified public accountant in the State of Rhode Island and / or Commonwealth of Massachusetts.

Staff Experience in Single Audits

The staff assigned to this engagement have significant single audit experience, and perform compliance audits on nearly 100 major programs annually.

In addition to the Federal Program's customarily awarded to municipalities and school departments, Marcum is reviewing all guidance received from the State of Connecticut as well as the Office of Management and Budget as it relates to CARES Act funds the necessary compliance requirements you will need to comply with. We will keep East Hartford abreast with all new requirements and changes.

Professional Development / Continuing Professional Education

Every year, the Firm provides a minimum of 40 hours (five days) of continuing professional education (CPE) in-house to all professional staff. These seminars include sessions in accounting, auditing, financial reporting, and internal controls. In addition to the in-house training, our partners and professional staff attend various outside seminars, such as those provided by the AICPA, SEC Institute, Institute of Internal Auditors and local state CPA societies. Additionally, we sponsor and host a robust calendar of programs and updates for clients and other attendees.

The reader's attention is directed to the **Appendix B** of this proposal showing the experience, activities and professional memberships of key members of our team. All team members complete, at a minimum, 40 hours of continuing professional education each and every year, including governmental and Yellow Book courses.

In accordance with Government Auditing Standards (GAS) anyone who plans, directs, or reports on audits under GAS receives 80 hours of continuing professional education in a 2 year period (24 of which is specific to the governmental environment). All others receive, at a minimum, 24 hours in the same 2 year period related to the governmental environment.

The Firm has made a significant commitment to formalizing its training in both technical and essential professional skills, through Marcum U, our in-house university. We continuously update our training curriculum under the guidance of our Chief Learning Officer, in consultation with our firm leaders, to offer innovative programs that offer a learning plan for our associates.

We provide a robust calendar of programs and classes that are available to our associates. The curriculum is comprised of core requirements and elective courses and learning plans are based on an individual's area of specialty or industry. We offer certification programs and opportunities for associates to earn badges in their respective areas as specialists. Marcum U trainers include both our skilled learning and organizational development professionals and technical trainers across the Firm. All trainers are certified under our in-house Train the Trainer program.

We nurture our associates in their careers with coaching programs and a Trusted Advisor Program, designed to expand client relationships. We are also developing a Path to Partner program, which will help develop leadership skills for our senior managers/directors in the continuing effort to deliver excellence in client service.

Subcontractors / Co-Proposers

Marcum will not be utilizing any subcontractors, co-proposers or any other entity providing professional services for the services provided to the Town of East Hartford.

6. SIMILAR ENGAGEMENT WITH OTHER GOVERNMENT ENTITIES

References

Town of Plainfield, CT	
Contact	Kelly Vachon, Finance Director
Phone Email	860.230.3005 kvachon@plainfieldct.org
Address	8 Community Avenue, Plainfield, CT 06374
Scope	Audit and Compliance
Dates Served	June 30, 2019 – present
Annual Hours	450 hours

Town of North Kingstown, RI	
Contact	James Lathrop, Finance Director
Phone Email	401.294.3331, x140 jlathrop@northkingstown.org
Address	100 Fairway Drive; North Kingstown, RI 02852
Scope	Audit and Compliance, including an ACFR
Dates Served	June 30, 2019 – present
Annual Hours	650 hours

Town of North Providence, RI	
Contact	Maria Vallee, Finance Director
Phone Email	401.232.0900 mvallee@northprovidenceri.gov
Address	2000 Smith Street; North Providence, RI 02911
Scope	Audit and Compliance
Dates Served	June 30, 2021 – present
Annual Hours	550 hours

Town of Cumberland, RI	
Contact	Mr. Gene Ferrari, Finance Director
Phone Email	401.728.2400 gferrari@cumberlandri.org
Address	45 Broad Street Cumberland, RI 02864
Scope	Audit and Compliance
Dates Served	June 30, 2021 – present
Annual Hours	700 hours

City of Manchester, NH	
Contact	Ms. Sharon Wickens, Finance Officer
Phone Email	603.792.6613 swickens@manchesternh.gov
Address	Once City Hall Plaza Manchester, NH 03101
Scope	Scope: Audit and Compliance
Dates Served	June 30, 2015 to present
Annual Hours	1700

Representative Client List

Below are examples of government engagements performed by Marcum, including those under former firm names:

Partial Client Listing	
Town of Plainfield, CT	Housing Authority of the City of Hartford (CT)
Town of Stafford, CT	Housing Authority of the City of Bristol (CT)
Wallingford Housing Authority (CT)	Housing Authority of the City of New Haven d/b/a Elm City Communities (CT)
West Haven Housing Authority (CT)	Housing Authority of the City of Stamford d/b/a Charter Oak Communities (CT)**
City of Burlington, VT **	Housing Authority of the City of Waterbury (CT)
City of Central Falls, RI	Town of Johnston, RI
City of Concord, NH **	Town of Longmeadow, MA **
City of Cranston, RI**	Town of Lynnfield, MA **
City of Dover, NH **	Town of North Kingstown, RI**
City of Keene, NH **	Town of Norwell, MA **
City of Lynn, MA	Town of Portsmouth, RI**
City of Manchester, NH **	Town of Smithfield, RI
City of Nashua, NH **	Town of South Kingstown, RI**
City of Pawtucket, RI	Town of Warren, RI
City of Portland, ME **	Town of Wayland, MA **
City of Portsmouth, NH **	Town of Westerly, RI
City of Providence, RI**	Bristol Warren Regional School District
City of Warwick, RI*	Chariho Regional School District
City of Woonsocket, RI	Dighton Rehoboth Regional School District, MA
Town of Barrington, RI	Rhode Island Higher Education Assistance Authority
Town of Bedford, NH **	Rhode Island Resource Recovery Corporation
Town of Bristol, RI	Rhode Island Student Loan Authority
Town of Concord, MA **	Rhode Island Turnpike and Bridge Authority
Town of Cumberland, RI	Springfield Water and Sewer Commission **
Town of Danvers, MA **	
Town of Derry, NH **	
Town of Dracut, MA **	

*ACFR

**ACFR and GFOA Certificate Recipient

7. SALE OF THE AUDITING FIRM

In the event of the sale of the firm to another entity or the merger of the firm with another entity during the performance of the services required as set forth in Section II of the RFP, the personnel of the firm conducting these services for the Town of East Hartford shall not change without the consent of the Town.

8. AUDIT APPROACH FOR GOVERNMENTAL ENTITIES

Audit Approach

Superior Client Service Approach

WE AIM FOR A PARTNERSHIP THAT EXCEEDS THE AUDIT

- ▶ Enhanced internal controls and efficiencies
- ▶ Stronger financial operations
- ▶ Valuable business solutions and ideas
- ▶ Best practice benchmarks
- ▶ A resource that is always available to you

Our approach to client service is simple: provide an engagement team that has industry knowledge and will communicate with you throughout the engagement process. This communication allows us to understand your ongoing business issues and challenges and to provide timely advice regarding solutions and alternatives. Besides the day-to-day communication when the consulting work is underway, our “keep current” meetings are a way to keep the lines of communication between our clients and us open.

There are many components to delivering our services. We always start with an understanding of the client and its business. When we design our engagement plan, we will work with you to ensure that we have addressed not only the risks that we believe are significant, but also areas you may see as significant.

We have a professional commitment to be concerned with the affairs of our clients on a continuing basis and to be available to you throughout the engagement. Accordingly, our engagement plan contemplates meetings with your management to discuss current results, concerns, and developing issues. We will plan, schedule and coordinate our resources economically and efficiently. Visits will be scheduled at times that are convenient to your personnel and will enable us to meet your prescribed deadlines.

Scope of Services

Marcum will perform an audit of the financial statements of Town of East Hartford. The objective of the audit is the expression of an opinion that the financial statements are fairly presented, in all material respects, and in conformity with accounting principles generally accepted in the United States.

We will issue the following reports in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*:

- ▶ Report on the fair presentation of the financial statements as a whole in conformity with accounting principles generally accepted in the United States.
- ▶ Report on internal control over financial reporting and on compliance with laws and regulations and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- ▶ Issue a management letter in accordance with State laws.

Required Standards

The Firm's audit will be performed in accordance with the following requirements, as applicable:

- ▶ Statements on Auditing Standards issued by the AICPA
- ▶ *Government Auditing Standards*, issued by the Comptroller General of the United States
- ▶ Codification of Governmental Accounting and Financial Reporting Standards, as promulgated by the Governmental Accounting Standards Board
- ▶ Audit and Accounting Guide, State and Local Governments, published by the American Institute of Certified Public Accountants (AICPA)
- ▶ All other applicable provisions of rules, regulations, statutes or orders which may pertain to the engagement

Monitoring and Communication

The Firm will report the following information to the Board of Finance and Town Council, as applicable.

- ▶ The auditor's responsibility under generally accepted auditing standards and Government Auditing Standards
- ▶ Significant accounting policies
- ▶ Management's judgments and accounting estimates
- ▶ Significant audit adjustments; uncorrected misstatements
- ▶ Other information in documents containing audited financial statements
- ▶ Disagreements with management
- ▶ Major issues discussed with management prior to retention
- ▶ Difficulties encountered in performing the audit

Our Approach to Auditing Large and Complex EDP Systems

Advances in technologies are having, and will continue to have, significant influence on business activities, and related internal control and accounting systems. The audit approach that we have developed provides the efficient and effective performance of audit procedures to our clients' financial statements and internal control systems. It provides a framework that is consistently applied to all of our audit engagements. The approach encourages flexibility and innovation, timely professional judgment, and audit team input. Our audit approach is tailored to each individual engagement, evolving to ensure it remains effective.

Key features of our approach include:

- ▶ Emphasis on obtaining a thorough, current understanding of the client's operations and control environment - including the information technologies that impact and enable operations
- ▶ Account balance, transaction cycle, and performance measurement focus that enables a risk-based identification of significant accounts, significant transactions, and high-risk business areas
- ▶ Utilization of computerized audit tools in the following areas: key item selection, recalculation of totals and transaction verification, identification of unusually large amounts or unusual classifications, statistical sampling, testing for duplicate and missing check numbers, testing for duplicate payments, testing for payroll attributes, stratification of customer, vendor, and employee data, testing for large and end-of-period journal entries

We have found that the use of computerized audit tools is critical to the audit process, and in our large and complex EDP audit environments, these tools are the only efficient method we have found to maintain satisfactory audit coverage. Depending on the availability and format of the data we typically use data extraction software to help in our planning, evaluation and testing requirements.

Our audit approach has been successfully applied to a variety of large EDP systems, including large governmental environments, large non-profit organizations, as well as commercial businesses.

Reporting

Our plan will be developed based on the requirements outlined in your request for proposals. The work plan will be segmented as follows.

Financial Audits

Our audits will be made in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits in the General Accountability Office's *Government Auditing Standards* issued by the Comptroller General of the United States, and the requirements of the Connecticut Auditor General. The primary purpose of the audit will be to express an opinion on the financial statements and, accordingly, such an examination is subject to the inherent risk that errors or irregularities may not be detected. If conditions are discovered which lead to the belief that material errors, defalcations or other irregularities exist, or if any other circumstances are encountered that require extended services, we will promptly advise the appropriate level of Town management.

East Hartford's financial statement reporting follows Governmental Auditing Standards Board Statement No. 34, *Basis Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Combining and Individual Fund Statements and Schedules necessary to demonstrate compliance with finance-related legal and contractual provisions and to present information spread throughout the statements in greater detail (e.g., taxes receivable including delinquent taxes and long-term debt). We will render an "in relation to" report on these schedules.

Management's Discussion and Analysis (MD&A) will be included in the financial reporting package as required supplementary information.

Our professionals can also provide technical assistance to help ensure your Annual Comprehensive Financial Report meets all the requirements of the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

Single Audits/Uniform Guidance

Single audits will be conducted in accordance with the provisions of the federal Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Guidance 2 CFR part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Subpart F – Audit Requirements and the Connecticut State Single Audit Act Requirements.

Reports on Compliance and Internal Controls

In the required reports on compliance and on internal controls, we shall communicate any deficiencies found during the audit. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

End of Year Reports

Every Connecticut board of education is required to arrange for and undergo an independent audit of its financial records and submit the report of this audit to the Connecticut State Department of Education (CSDE). This requirement shall be satisfied if the school district's records are audited, to include using the Connecticut State Department of Education agreed upon procedures compliance supplement, as part of a

general audit of all municipal financial records. The audit must be conducted by an independent public accounting firm based on the compliance requirements, audit objectives and suggested audit procedures contained in this Compliance Supplement. The auditor shall comply with professional standards included in "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" adopted by the Comptroller General of the United States in the conduct of the audit.

Each board of education is required to submit an End-of-Year Financial Report (EFS) to the CSDE. The EFS must be consistent with Department Regulations and Guidelines. We will perform the CSDE agreed upon procedures and communicate and deficiencies noted with management.

Management Letter

Marcum will prepare a management letter to identify systemic deficiencies observed. The letter also may offer recommendations for changes in accounting and other procedures in order to improve operations.

MANAGEMENT LETTER ADDS VALUE BEYOND THE FINANCIAL STATEMENTS

- ▶ Internal Controls Suggestions
- ▶ Operational Suggestions
- ▶ Cost vs. Benefit Evaluations
- ▶ Identify Areas for Efficiencies
- ▶ Workable Solutions
- ▶ Collaborative Process

As each potential management letter point is identified in the audit process, the engagement team will document the condition, our recommendation, and the benefits of the recommended action. All potential comments will be reviewed with key staff members before issuance. Our policy is to prepare this report as a vehicle for suggesting improvements to enhance efficiency, management effectiveness, and the degree of internal control.

Such a communication could contain comments and recommendations arising from our observations made during our audit and might encompass areas such as cash management, tax office operations, budgeting, internal accounting controls, purchasing, and the like. During the audit we will bring to your attention, on a timely basis, matters of interest as they develop.

Findings (material weaknesses and significant deficiencies and material instances of noncompliance) are required to be reported in writing and will be included in the schedule of findings and questioned costs.

Other Reporting

In conjunction with the audit report on the Town's financial statements and the Management Letter, we will also prepare the following communications:

Irregularities and Illegal Acts

We shall make an immediate, written report of any irregularities and illegal acts or indications of illegal acts of which we become aware.

Auditor Communications

We will provide you with all required communications under Statements on Auditing Standards 114, including but not limited to:

1. Auditor's responsibility under auditing standards generally accepted in the United States of America
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments and any uncorrected misstatements
5. Other information in documents containing audited financial statements
6. Disagreements with management

7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

Work Plan

Our work plan is structured to achieve the objective of fulfilling the expectations of your elected officials and management as well as all the requirements of federal, state and local agencies. In order to accomplish this objective, our engagement plan will be structured to:

- ▶ Permit early identification of problems or concerns with effective communication thereof to Town management and to the elected officials.
- ▶ Ensure immediate responsiveness to expressed or perceived needs or expectations.
- ▶ Maintain the necessary flexibility to deal with changed or emerging situations or concerns.
- ▶ Ensure timely completion of all services in order to meet prescribed reporting dates
- ▶ Utilize, where necessary, functional competence and industry specialists in order to offer constructive service recommendations to management.
- ▶ Minimize inconvenience to employees of East Hartford.

Our concept of comprehensive services goes far beyond the routine, once-a-year performance of such services. We have a professional commitment to be concerned with the affairs of our clients on a continuing basis and to be available to Town staff and leadership throughout the year. This approach blends both technical audit and general business experience into a constructive service concept. Accordingly, our engagement plan provides specifically for frequent meetings with Town management to discuss current results, your concerns and developing issues that could affect East Hartford.

Our approach to all of our engagements is to tailor our services to the specific needs and requirements of the client. Our audit services are performed in conformity with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

We will take a business approach to serving East Hartford and will be an effective resource to you. This approach includes meeting with East Hartford management, providing constructive services directed at improving productivity and operations and communicating important information to Town management on a timely basis.

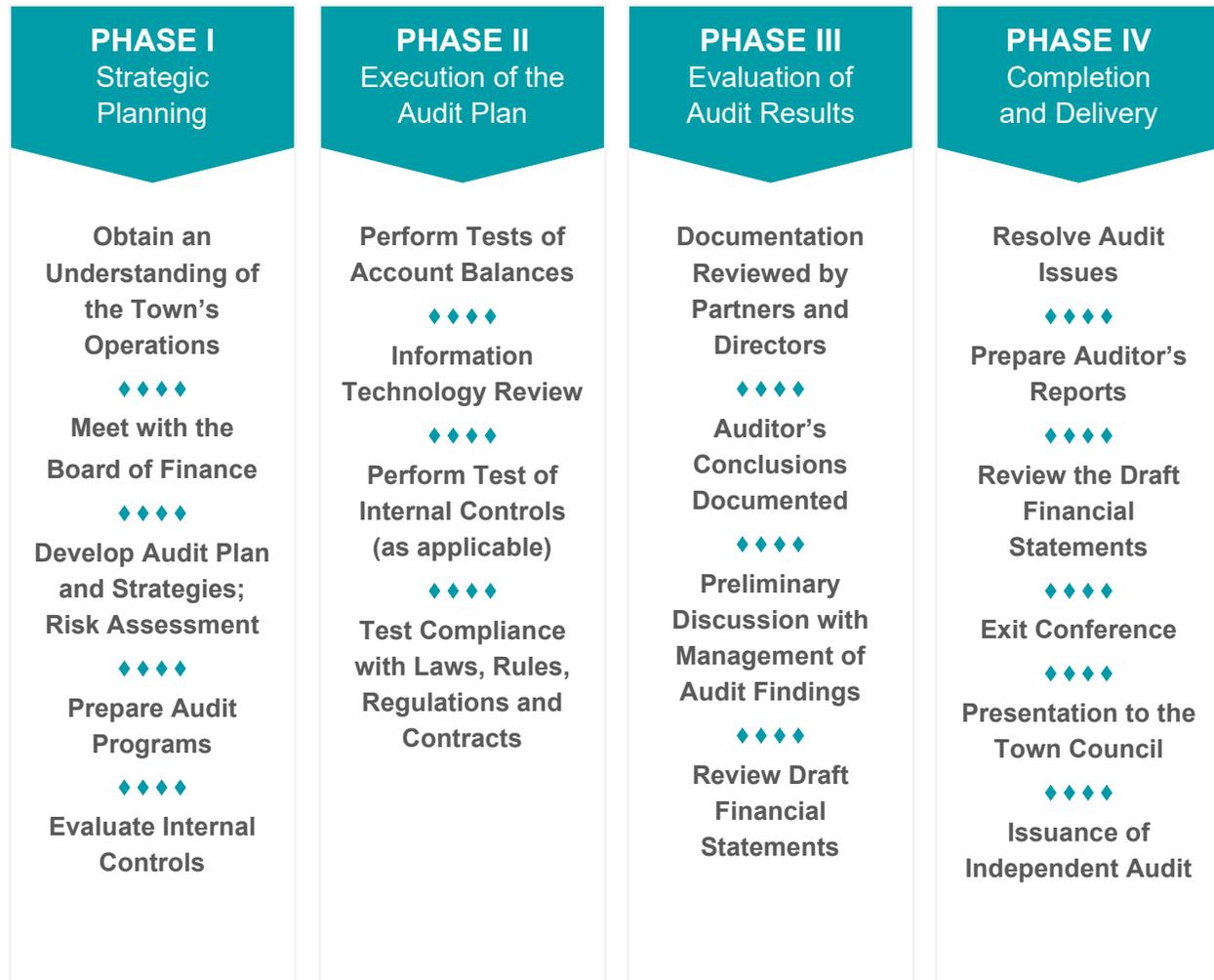
We will plan, schedule and coordinate our audit resources economically and efficiently. Our visits will be scheduled at times that are most convenient to your personnel and at times when your personnel are least burdened with normal workload. We expect to work closely with Town management throughout our examination.

Our relationship will grow through:

- ▶ Regular meetings to plan and review the progress of our engagement;
- ▶ Advising Town management on accounting and regulatory matters
- ▶ Submission of reports to Town management containing our recommendations for improvements in operating efficiency, internal controls, records, and operating policies and procedures

As part of the auditing function we will also assist East Hartford regarding implementation of any new pronouncements issued by the Government Accounting Standards Board (GASB).

We have developed a comprehensive and effective audit work plan to serve you in a complete and timely manner, using our advanced auditing techniques. Each phase of the engagement is designed to minimize disruption of your personnel as our staff becomes acquainted with your accounting and financial reporting procedures. The audit will be conducted in four phases, as shown below. These phases are discussed in more detail on the following pages.



Phase I – Strategic Planning

We will tailor our audit approach through comprehensive audit planning based on a thorough understanding of your operations. The various forms and practice aids we will use were developed in accordance with the standards set by both the American Institute of Certified Public Accountants (AICPA) and *Government Auditing Standards*. This process is comprised of the following steps:

Understanding East Hartford's Operations

Initially we would expect to meet with the governing body (as a whole or with their designated liaison) charged with securing our services to discuss the overall timing, scope, and deliverables of our work. Next we will meet with the Town's management team to gain an understanding of the particulars of your operations and accounting and internal accounting control systems. We will also obtain and review the applicable sections with East Hartford's Charter or similar documentation that would impact on our audit. In summary:

- ▶ Meetings with governing/appointing body to define audit scope
- ▶ Discussion on matters of particular concern
- ▶ Review of Town Charter, ordinances, other documentation
- ▶ Meetings with Finance Director, Town Council, Board of Finance and Board of Education financial management
- ▶ Obtain understanding of the budget process
- ▶ Provide the Town with a list of information needed, including confirmations (i.e. bank and investment accounts, contact names and phone numbers, legal counsels, minutes, etc.)
- ▶ Confirm audit timing and deliverables

Review of Internal Accounting and Administrative Controls

We will perform an extensive review and evaluation of East Hartford's system of internal accounting and administrative controls to determine the nature, timing and extent of audit tests necessary to express an opinion on your financial statements. Our study and evaluation will begin with a review of flow charts, narratives and procedural documentation available from the Town's Finance Department. This information will serve as our basis for further inquiry and review to develop an understanding of East Hartford's flow of transactions through the accounting system as well as your overall control environment. In summary:

- ▶ Review Town accounting policies and procedures with emphasis on controls over receipts/revenues, expenses/disbursements, purchasing, payroll, tax collections, grant administration and financial reporting
- ▶ Interview key personnel charged with administering the above area
- ▶ Conduct a review of general and application controls used in East Hartford's information technology activities
- ▶ Based upon the above reviews/interviews identify significant controls used in transactional processing and reporting
- ▶ Confirm our understanding of significant processes and controls
- ▶ Determine whether processing and reporting systems used for Town and Board of Education are the same for regular activity and federal and state single audit activity
- ▶ Obtain and review prior audit reports, management letters, and reports from any outside program monitoring conducted

Assessing Audit Risk

In order to obtain maximum efficiency for our audit effort, we assess the risks that pertain to each fund, account balance and class of transactions. Risk assessment involves the information obtained in the above section in conjunction with the use of the aforementioned practice aid tools. In summary:

- ▶ Assess inherent risk on a Town-wide basis
- ▶ Assess control risk on a Town-wide basis
- ▶ Assess the risk of material misstatement of the financial statements
- ▶ Assess both inherent and control risk by significant transaction classes (as listed in the above paragraph) and accounts
- ▶ Assess the risk of material noncompliance regarding the administration of federal and state major programs

Developing Audit Procedures

Based upon assessment of the relative risk identified above, we tailor our audit procedures utilizing our assessment of audit risk to determine the potential risk of misstatement in each audit area. This approach ensures that East Hartford will receive the maximum value for time and effort spent by our personnel through the conduct of the audit, and your personnel through their assistance to us. In summary:

- ▶ Using the risk assessments developed above we will customize our audit programs which will provide focus to significant areas
- ▶ As an example, audit programs are prepared for the following areas:
 - General Procedures
 - Cash
 - Receivables & Revenues – Governmental Funds
 - Receivables & Revenues – Proprietary Funds
 - Accounts Payable & Expenses
 - Accrued Liabilities
 - Debt (i.e. pension liability, bonds, compensated absences, leases)
 - Payroll and Post-Employment Liabilities (i.e. Pension GASB 68 / OPEB GASB 75)
 - The assessment conclusions dictate the extent to which procedures will be performed

Risk-Based Audit Technologies

Marcum employs a risk-based approach early in the audit process. This approach considers how the overall risk identified in the general risk analysis affects specific account balances. We consider, in part:

- ▶ Relative significance of the account to the financial statements as a whole
- ▶ Volume of transactions
- ▶ Susceptibility of the account to fraud
- ▶ Accounts that have traditionally required significant adjustments
- ▶ Account with complex calculations, judgment, and accounting issues that have a high assessed level of inherent risk

Based on these considerations, we assess the inherent risk and control risk to determine the overall audit risk. Once this assessment is completed, the audit procedures to be used are determined. By redirecting our efforts through a risk-based approach, audits are significantly enhanced, which provide greater value to our clients.

We will use several approaches to conduct the audit engagement. These approaches include traditional audit techniques and strategies, and an evaluation of the systems utilized by Town of East Hartford.

Specific Fraud Investigative Techniques

Professional Auditing Standards imposes on auditors the additional responsibility to “plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements due to fraud.”

By redirecting our efforts through a risk-based approach and additional fraud inquiry techniques, audits are significantly enhanced.

Phase II – Execution of the Audit Plan

To provide for the timely completion of our audit, we would like to perform a portion of our work before year-end to identify and resolve any potential accounting issues as early as possible. During our interim examination, in addition to our review of internal controls, we will perform tests and review significant revenue and expense accounts. In summary:

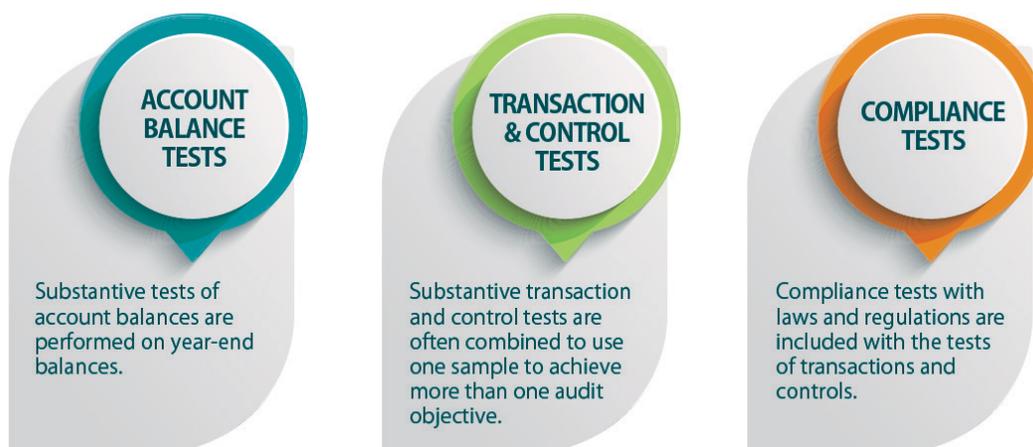
- ▶ Obtain preliminary financial information for Town funds as of an available date
- ▶ Calculate a preliminary estimate of materiality, tolerable misstatement and individually significant item level by major funds and non-major funds and perform analytic procedures on significant accounts

- ▶ Obtain Town-prepared schedule of expenditures of federal awards and expenditures of state financial assistance.
- ▶ Perform risk assessments on federal and state single audit programs to determine major program testing
- ▶ Design, select sample sizes, and perform dual-purpose detailed testing to satisfy requirements related to the testing of significant internal controls over both reporting and compliance (single audit). In most audits this will involve, at a minimum, tests over disbursements/expenses, payroll, cash management, and reporting. Other areas may also be tested dependent upon East Hartford's programs.
- ▶ Perform testing within the tax collector and assessor offices covering corrections and collections
- ▶ Review any findings developed as a result of our test work with Town management

The audit team will complete a major portion of transaction testing and audit requirements during this phase. The procedures performed during this period will enable us to identify any matters that may impact the completion of our audit work or require the attention of management. Tasks to be performed in Phase II include, but are not limited to:

- ▶ Applying analytical procedures to assist in planning the nature, timing and extent of auditing procedures used to obtain evidential matter for specific account balances or transaction classes. Analytical procedures are utilized in almost every audit area tested.
- ▶ Performing substantive account balance and transaction tests. Statistical samples will be drawn from major transaction systems, including cash disbursements, cash receipts, accounts payable, and payroll. The size of the samples will be determined after the review of the internal control system.

There are three types of tests that involve audit sampling (statistical and non-statistical sampling):



The audit team will report on a weekly basis to management the status of any potential adjustments so that management may have adequate time to investigate, gather information and respond, if necessary.

Information Technology Audit Techniques

In accordance with Professional Auditing Standards, we are required to gain an understanding of the procedures, both automated and manual, by which transactions are initiated, recorded, processed and reported, from their occurrence to their inclusion in the financial statements. During the planning stage of our audit, we evaluate the effect information technology (IT) will have in performing our audit procedures. This evaluation includes obtaining an understanding (generally through observations and inquiries of IT personnel) of internal controls and identifying those controls that are automated.

When key internal controls are automated, we use our IT specialist to perform a detailed review of those automated controls. Our IT specialist will then communicate to the audit engagement team as to whether such controls are working as prescribed by management. With this information, the audit engagement team determines the extent of their audit procedures.

In client situations where there is significant accounting data processed electronically, we use a state-of-the-art software program (TeamMate Analytics) to extract and summarize computerized financial data files.

Some of the uses of this program are:

- ▶ Retrieving aged receivables information
- ▶ Extracting credit balances in accounts receivable reports
- ▶ Extracting pre-determined sample items from reports for testing
- ▶ Merging files for the purposes of extracting information that meets predetermined criteria
- ▶ Sorting information
- ▶ Footing reports
- ▶ Searching for anomalies
- ▶ Searching for related party transactions
- ▶ Searching disbursements for selected vendors

This program provides an efficient way for us to extract and test computerized accounting information, enabling us to audit through the computer, rather than around the computer.

Data Processing Controls

We will also perform a review of computer processing controls. The review examines the controls over data processing and is used to determine the level of testing necessary to rely on financial information from the systems. Our review of computer processing controls is separated into two areas – general data processing controls and application controls. General controls can be loosely defined as all of the procedures required to operate a data center, whereas the application controls relate to the specific instructions within a computer program. Assurance that general and application controls are in place and adequate is essential before we can determine the level of sampling necessary. Our review of general controls includes examining documentation, interviewing personnel and observing operations.

Use of Sampling and Analytical Reviews

We rely appropriately on testing of transactions using statistical sampling as well as substantive analytic review. Financial activity areas lending themselves to sampling include fixed asset additions and deletions; governmental and proprietary receivables and revenues, payables and search for subsequent liabilities; and accrued absences. Auditor judgment is used to determine whether sampling would be useful. The number and amount of transactions in an account help decide the use of sampling. Samples can be determined randomly, haphazardly or statistically. Statistically, sample size calculations are based upon inherent and control risks developed during audit planning coupled with significant item levels and tolerable misstatement calculations for the particular area.

Statistical sampling is particularly valuable for attribute testing for compliance under the Federal Single Audit, tests of internal controls and assumed deviation rates. Samples are designed to provide an overall assurance of 95%. For compliance (attribute) samples generally range from 25 to 60 selections.

Analytical reviews are used by our firm as a way to measure changes in terms of pre-determined deviation calculations. Commonly, our reviews are based upon tolerable misstatement and significant item calculations coupled with pre-determined allowable percentages. Large activity swings are followed up with

management to identify possible mis-postings, unusual transactions, or other issues. The use of analytical reviews is an efficient way to measure performance and allow for identification of transactions.

Phase III – Evaluation of Audit Results

During this phase, we will update our interim revenue and expenditure testing and complete various balance sheet examination. In summary, we will:

- ▶ Update our initial calculations of materiality, tolerable misstatements, and significant item levels and review our previous activity in relation to these updated amounts
- ▶ Perform substantive testing or analytical reviews on significant accounts and balances
- ▶ Validate information submitted to, and received from, the actuary for Town pension funds and OPEB liability
- ▶ Review the information from confirmations received
- ▶ Follow up on any requests for client information
- ▶ Perform agreed-upon procedures work regarding the End of Year Report (EFS)
- ▶ Review with the Town any potential adjustments proposed by our firm
- ▶ Finish reviews of work papers in the field

Phase IV – Completion and Delivery

All of our work papers are submitted for both an in-house and an external (out of office) quality review after staff leaves the audit site. Our firm has an external quality review group of 10 individuals whose sole functions are the review of work papers and financial statements. This provides a totally independent set of eyes from firm personnel not connected with performing the engagement. The following activities will take place in the reporting phase:

- ▶ Draft reports are prepared and submitted to Town management for review
- ▶ Draft findings, comments, and recommendations are submitted to Town management for review
- ▶ If required, the Town will prepare corrective action plans to address single audit findings
- ▶ Preliminary exit meetings with Town management will be held, if the Town so desires, to discuss any questions or issues
- ▶ Final reports prepared and submitted to the Town
- ▶ Agreed-upon procedures report and related form is filed with CSDE
- ▶ Federal data collection form prepared and certified by both our firm and East Hartford

Technological Resources

Marcum Labs

Enhancing Our Service with Innovation

We seek to offer you an experience that is driven by dedicated professionals who understand the environment in which you operate, but our commitment to you doesn't end there. At Marcum, we take innovation seriously and continuously seek to improve our audit process through creative thinking and market-leading technology.

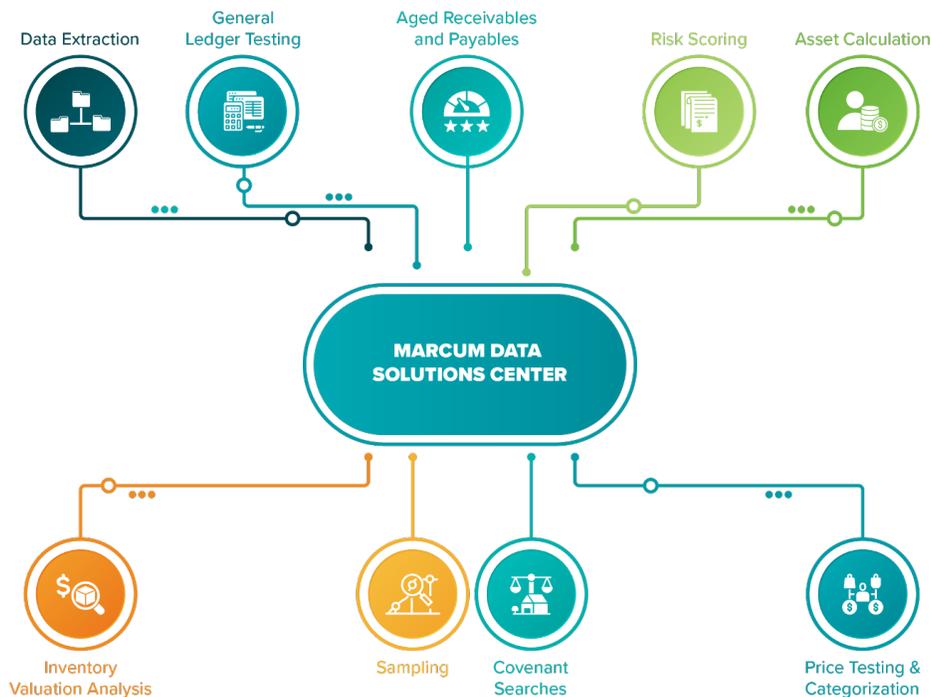


Marcum Labs is our firm's incubator dedicated to enhancing and adding value to our client service. Bringing together industry leaders, technologists, and practitioners within Marcum, this initiative improves the effectiveness and efficiency of our audit approach and enhances the value of choosing Marcum. The solutions being created through Marcum Labs have had immediate impact on our approach to handling your audit. Marcum Labs is a representation of our commitment to continuously invest in improvement, differentiating our firm with a direct benefit to our clients and our audit process.

Marcum Data Solutions Center

The Marcum Data Solutions Center (“DSC”) is a grassroots solution developed by Marcum Labs to enhance our audit process through intelligent automation and advanced data analytics. Artificial intelligence has intrigued and intimidated for years. Our integration of self-directed, machine-driven solutions implemented with a human touch demonstrates how technology is able to create efficiencies and reduce risk.

Marcum assurance professionals leverage our DSC as a technology layer on top of their knowledge of your business and industry. Every application of this service is unique, as the audit team assigns work to the DSC, which in turn offers a level of insight to enhance the audit. The result is increased scrutiny in the areas of greatest importance, without additional disruptions to your business. The integration of the Marcum DSC into your audit is seamless for your team and sets a new standard for what an audit should entail.



Intelligent Automation



As a complement to the Marcum DSC, our audit team will leverage Intelligent Automation (“IA”), a robotic process automation service developed collaboratively through Marcum Labs to increase the efficiency and depth of our engagements. Leveraging this advanced solution provides a quicker turnaround and adds significant value to the process.

The IA solution works with oversight from our professionals to offer an augmented, virtual workforce that can operate without interruption. The program streamlines the data-intensive components of our audit process and builds a knowledge base that can be leveraged from one audit to the next.

As one example, our audit teams working with clients that have cryptocurrency holdings recently leveraged this advanced platform to address the nuanced needs of our clients in this still-emerging industry. Our assurance professionals are able to address this fast-changing, ever-evolving area of risk in part because we are powering our services with creative, technology-driven solutions that adapt as the market develops and operational realities become more complex.

Secure Digital Collaboration

Marcum employs a paperless audit approach. Our audit teams utilize both proprietary and non-proprietary programs to streamline the audit process.

To ensure information is stored and shared safely, we use a secure workflow data management tool for every client relationship. The user-friendly collaborative site serves as a virtual common workspace that is keyed to our data request lists and electronic audit system. Any data we request from you can be easily uploaded to the secure site and seamlessly downloaded by our audit engagement team directly into our electronic work programs. This cloud-based tool minimizes the use of emails to transmit data, enhances the security of your information and eliminates duplicate requests for data. Our software tools and approach to our work reduce demands on client resources and saves our clients time and money.

Computerized Audit Techniques

We will use ProSystemfx Engagement software, which is a paperless software package. We will coordinate, if possible, with your IT department to download from your computer system the trial balance, consolidated financial statements and any other schedules that will assist us in completing our services. We will use the latest data analysis technology software (TeamMate Analytics) to help us access and analyze your data to maximize our audit efficiency.

Tailoring the Audit Methodologies

After meeting with your accounting department and obtaining an understanding of your policies and procedures, Marcum will design procedures that will enable us to test data within your current system. We do not use prepackaged audit programs, but instead, tailor our audit programs to work within our clients' environment to get the job done in the most efficient manner.

Marcum's Capability to Audit Remotely

We have the capability to conduct many of our services remotely. The paperless process and efficient workflow we employ allowed us to adjust seamlessly to a virtual environment. Although we may not be physically be in your offices, our overall process will not change.

When working remotely, we use Zoom and Microsoft Teams to have face-to-face meetings with clients and to observe processes or controls necessary for us to see. On the last day of fieldwork, whether we are in your office or auditing remotely, we hold an exit meeting with our entire team and your team to discuss any open items, potential issues, and potential management letter comments as well as confirm deadlines for the delivery of draft financial statements and the final reports.

Marcum's goal is to be flexible, to adapt to the client's changing needs and ultimately to perform our audit procedures with minimal disruption to East Hartford's personnel. To that end, during the planning phase of the engagement, we will discuss with management their preference as to where we perform our audit procedures. Marcum will then incorporate the results of that discussion into our audit plan for this engagement.

Communication with Management

Clear and timely communications are critical to delivering the highest quality services. Throughout our engagement, we will consistently communicate our findings, recommendations and other observations to management. We will provide management with status reports during the course of our engagement. Such reports are an effective method to communicate initial findings and questions and to eliminate surprises at the end of the engagement.

At the completion of the engagement, we will meet with you to review the results of our procedures, which will include required communications as defined by professional standards and our observations and recommendations for improvements.

Assistance from Town Staff

We design our audits to be as minimally disruptive to your daily operations as reasonably possible. We will coordinate with your finance director for many of our needs as they relate to our audit of the accounting records and we will prepare the draft financial statements and other schedules for your review and approval. We will also provide East Hartford with access to a secure portal for transferring documents that we request during the audit process, such as organizational policies, budgets, reports, etc.

For our on-site fieldwork, we will provide you with sample lists of resident files, invoices and other supporting documentation in advance of our visit. Our audits typically do not require your accounting staff to prepare any schedules that are onerous or time consuming.

Anticipated Potential Audit Problems

The Firm does not anticipate any potential audit problems. One of the many advantages of choosing Marcum as your auditor is that our team has significant knowledge and understanding of water districts and their operations. The combination of our Firm's resources, level of partner involvement and experienced team members provides an excellent service team of professionals capable of servicing your needs. **Having a local government service team with access to national resources allows us to meet or exceed client deadlines.**

Regular communication will be ongoing with Town personnel, allowing for timely knowledge of matters as they arise. When we learn of matters the Town may not be aware of, we will be active in conveying relevant information.

We understand the audit, accounting and financial reporting requirements affecting your Town. As with other issues that may arise, we will work with Management throughout the year to achieve the appropriate resolution.

9. COMMITMENT TO DEI

For us, diversity, equity, and inclusion aren't buzzwords that stop on a committee agenda; they describe who we are and who we've been from the start. Women make up the majority of our practice group associates, including 65% of partners, and people of color, LGBTQIA+ and non-US born individuals are represented at every practice level including partners, directors and senior managers. In addition, some 30 languages are spoken by our employees.

Marcum has a diversity, equity, and inclusion (DEI) committee spearheaded by senior leaders throughout the country, including office and regional managing partners and Marcum's CEO. Under the guidance of our Director of DEI, Marcum actively develops strategies that ensures that we are a diverse Firm, where associates from underrepresented groups feel a strong sense of belonging and see ample opportunities for career growth and advancement.

Some of these initiatives include: national and regional committees and town halls; training such as Recognizing and Managing Unconscious Bias and DEI workshops for new managers; and ongoing Courageous Conversations Forums, a quarterly series of associate panel discussions on the personal impact of diversity on their career trajectory and how associates at all levels can move beyond conversation and into action.

Additionally, Marcum has developed Associate Resource Groups (ARGs) that serve as a safe space for associates to share common interests and discuss ways to improve the employee experience. The ARGs offer the opportunity for associates to join together to share common life experiences and to be catalysts for positive change at Marcum and in their communities.

Our commitment to diversity, equity, and inclusion extends beyond the office and into the community. Our associates volunteer and serve on boards and committees of many social justice and other organizations promoting equity. In an effort to address insufficient representation of minorities in CPA professions, we have taken proactive steps at the collegiate level such as targeted recruiting at HBCUs. Most recently, we started a scholarship fund to encourage more students from underrepresented groups to pursue a degree in accounting. Marcum also has a formal strategic partnership with the National Association of Black Accountants (NABA) and has held Firm-wide drives to raise thousands of dollars for NABA programs.

Marcum's mission is to hire and retain the best qualified people to help our clients meet their goals and achieve success. We accomplish this by recruiting superior candidates; maintaining a diverse and inclusive workforce that reflects our business communities, without regard for age, gender, minority status or sexual identity; providing dynamic mentoring and career development pathways; and enabling professional advancement to partner and executive staff positions within the Marcum organization.

Marcum's Commitment to a Diverse East Hartford Engagement Team

Non-Discrimination

We affirm that Marcum complies with the non-discrimination policy of the State of Connecticut. Marcum does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and that these shall not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion or separation.

Equal Employment Opportunity policy

Equal employment opportunity has been, and will continue to be, a fundamental principle at Marcum. Employment is based upon capabilities and qualifications without discrimination because of race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender (including pregnancy, childbirth and related medical conditions), gender identity or expression (including transgender status), sexual orientation, marital status, military service and veteran status, physical or mental disability, protected medical condition as defined by applicable state or local law, genetic information, or any other characteristic protected by applicable federal, state, or local laws and ordinances.

This policy of equal employment opportunity applies to all policies and procedures relating to recruitment and hiring, placement, training, compensation, benefits, associate activities, access to facilities and programs, promotions, transfer, discipline, termination, general treatment during employment and all other terms and conditions of employment.

We endeavor to make a reasonable accommodation to associates who request an accommodation or for whom the Firm has notice may require such an accommodation, without regard to any protected classifications, related to an associate's: (i) physical or mental disability; (ii) sincerely held religious beliefs and practices; (iii) needs as a victim of domestic violence, sex offenses or stalking; (iv) needs related to pregnancy, childbirth or related medical conditions; and/or (v) any other reason required by applicable law, unless the accommodation would impose an undue hardship on the operation of our business.

10. BENEFITS OF CHOOSING MARCUM

With Marcum you will be assured to receive:

- ▶ National firm with specialized governmental experience and resources
- ▶ Significant partner involvement resulting in personalized service and communication of value-added ideas throughout the year
- ▶ Senior engagement team members have extensive industry experience
- ▶ Dedicated client-focused engagement teams
- ▶ Recently received an exceptional peer review report that contained no comments. A copy of this report is included as Appendix C.

In summary, Marcum has the resources of a large team with relevant in-depth industry knowledge to provide the highest level of quality service that you expect and deserve as a valued client.

Value-Added Support and Resources

Our goal is to keep you informed of pronouncements or regulatory changes before they occur and to maintain communication throughout the year. We offer trainings to clients on best practices and governance responsibilities. Communication comes through e-newsletters and direct conversations with our clients. We are committed to providing you with a team that is proactive, responsive and available.

Offering educational opportunities to our clients and to our staff is an important part of our service philosophy. Our team participates in a variety of educational programs through trade and professional organizations on a regular basis. We provide regular, internal educational programs to our staff to keep them abreast of changing accounting methodologies, audit issues, tax law changes and industry specific regulatory matters. Many of our industry professionals make presentations to our clients and various trade associations.

For our clients, we deliver educational opportunities and industry updates through a variety of methods. When important industry topics or issues emerge, we communicate these matters to clients and other members of the governmental industry. Methods used to provide these industry updates and educational opportunities include:

- ▶ Meetings with management and the Town Council
- ▶ Email communication for breaking news and discussions of new accounting or tax regulations
- ▶ Invitations to participate in relevant webcasts and webinars on industry topics

11. THANK YOU

Thank you for the opportunity to present our qualifications to serve the Town of East Hartford. We look forward to speaking with you in greater detail about this engagement and welcome any questions you may have regarding our proposal or our services. For additional information, please feel free to contact us:

James Wilkinson
(401) 600-4709
James.Wilkinson@marcumllp.com

Kyle Connors
(401) 600-4722
Kyle.Connors@marcumllp.com

APPENDIX A

Resolution for Partnerships



Resolution for Partnerships

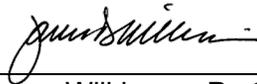
The undersigned, on behalf of Marcum LLP, a limited liability partnership duly organized and operating under the laws of the State of New York, affirms that Marcum LLP is qualified and authorized to do business in the State of Connecticut.

RESOLVED: That the following partner of this Limited Liability Partnership:

James Wilkinson, Partner

is to execute and deliver, in the name of and on behalf of this Limited Liability Partnership, contracts, bids and other documents to the Town of East Hartford, State of Connecticut and is further authorized to bind the Limited Liability Partnership to such contracts, bids and other documents.

IN WITNESS WHEREFORE, the undersigned has executed this resolution, this 28th day of April 2023



James Wilkinson, Partner

APPENDIX B



Engagement Team Profiles



JAMES D. WILKINSON, CPA*, CITP

PARTNER ► ASSURANCE SERVICES

401.600.4709

james.wilkinson@marcumllp.com



James D. Wilkinson is a partner in the Firm's Providence, Rhode Island, office. He has more than 35 years of public accounting experience providing audit, accounting services, and technology consulting to a wide array of clients and industries. Additionally, he advises clients in areas ranging from business process efficiencies, mergers and acquisitions, and implementation of new accounting pronouncements.

Mr. Wilkinson is passionate about leveraging technologies to solve business challenges and provides outsourced accounting services for growing, entrepreneurial businesses from start-ups to well-established operations. He strives to implement technologies to empower people and transform complex systems and business processes into efficient and productive suites of integrated applications. He enjoys the fast-paced and ever-changing technology environment and contributing to client successes.

Mr. Wilkinson is an active peer review team captain under the AICPA Peer Review program, and has conducted quality control reviews for a multitude of CPA firms across the country.

Professional & Civic Affiliations

American Institute of Certified Public Accountants (AICPA)
Rhode Island Society of Certified Public Accountants (RISCPA)
Massachusetts Society of Certified Public Accountants (MassCPAs)
New England Peer Review, Inc., Member of Executive Committee
(1995 – 2001; 2007 – 2013)
PHS Music Boosters, Inc., Former President and Treasurer
Associated Builders and Contractors of Rhode Island
International Council of Shopping Centers
Bill.com Accounting Partner Advisory Council, Founding Member

Accreditations, Designations & Certifications

Certified Information Technology Professional (AICPA)
Xero Certified Advisor
QuickBooks ProAdvisor
Bill.com Certified Expert

PRACTICE FOCUS

- Financial Statement Audits
- ERISA, including 401(k) & 403(b), Plan Audits
- Federal and State Single Audits
- Agreed-upon Procedures
- Internal Control Assessments
- Accounting System Implementations
- Cloud Accounting

INDUSTRY FOCUS

- State and Local Governments
- Not-for-Profit Organizations
- Construction
- Employee Benefit Plans
- Real Estate
- Emerging Businesses/Start-Ups

EDUCATION

- Bachelor of Science, Business Administration
Bryant University

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JAMES D. WILKINSON, CPA*, CITP

PARTNER ► ASSURANCE SERVICES



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james.wilkinson@marcumllp.com

Continuing Professional Education

	2022	2021	2020
Yellow Book / Government Credits	26.5	24	36
Total CPE Credits	92	107	115

Yellow Book / Government Courses, 2020-2022

2022 Govt Symposium, Marcum LLP, 2022
Cybersecurity and Protecting Critical Assets
GASB 87 Retrospective
GASB Update
Key Single Audit Topics
AICPA GAQC 2022 Annual Required Webcast, AICPA, 2022
AICPA Peer Review - GAGAS mandatory training, AICPA, 2022
AICPA Peer Review Update Course, AICPA - American Institute of Certified Public Accountants, 2022
2022 Accounting & Auditing Update, Marcum LLP, 2022
Current Year Updates on Auditing Workpaper Templates, Marcum LLP, 2022
Design & Implementation Workshop, Marcum LLP, 2022
Design and Implementation Assessment Tool, Marcum LLP, 2022
Substantive Test of Details – Practices, Efficiencies and Approach, Marcum LLP, 2022
Coronavirus State and Local Fiscal Recovery Funds Program, AICPA, 2022
Cybersecurity Trends and Impact on Governments, AGA - Boston Chapter, 2022
GAQC - Federal Agency Findings in Single Audit QCRs, AICPA, 2022
GASB Update 2022, GFOA, 2022
Annual Required GAQC Update Webcast, AICPA, 2021
S&L Govt Audit Planning Considerations, AICPA, 2021
AICPA - Understanding Independence Implications of the New SLG Affiliates Ethics Interpretation, AICPA, 2021
Accounting & Auditing Update, Marcum LLP, 2021
CPEA: Risk Assessment, Marcum LLP, 2021
Governmental Accounting and Financial Reporting - The Basics (Municipalities, Pension and CRA's), Marcum LLP, 2021
Not for Profits: Revenues and Other Concerns, Marcum LLP, 2021
Public Housing Authorities, Marcum LLP, 2021
Uniform Guidance Marcum LLP, 2021
AICPA Peer Review Conference, AICPA, 2020
GAQC Annual Update Webinar, AICPA, 2020
OMB Compliance Supplement and Single Audit Update, AICPA, 2020
Accounting & Auditing Update, Marcum LLP, 2020
Housing Authority, Marcum LLP, 2020
Marcum Government Symposium Webinar Series, Marcum LLP, 2020
GASB Update, 2020
Hot Topics Related to Government Pensions, 2020
Single Audit as it Relates to COVID-19, 2020
GASB Update, Marcum LLP, 2020
HUD Not for Profit Entities, Marcum LLP, 2020
Not For Profit Accounting & Auditing, Marcum LLP, 2020
Not For Profit Reporting, Marcum LLP, 2020
Uniform Guidance Basics – Risk Assessment, Sample Size Determinations,
Internal Control, Major Program Determination, Compliances, Marcum LLP, 2020
Yellow Book & Independence, Marcum LLP, 2020

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KYLE J. CONNORS, CPA*

DIRECTOR ► ASSURANCE SERVICES



401.600.4722



kyle.connors@marcumllp.com



Kyle Connors is an assurance director in the Providence, Rhode Island, office. He has more than 12 years of experience in public accounting, with significant expertise in municipal auditing and financial reporting matters. In addition, Mr. Connors leads assurance engagements for not-for-profit organizations, utility districts, public housing authorities, schools, and redevelopment authorities.

Mr. Connors has extensive Uniform Guidance experience, testing for compliance in the administration of federal education grants, HUD grants, and federally funded capital loan programs. He also has extensive experience performing program specific audits for both public and for-profit companies. Throughout his tenure in municipal accounting, Mr. Connors has worked closely with the State of Rhode Island, implementing Uniform Chart of Accounts guidance as well as the new Annual Supplemental Transparency Portal reporting.

Mr. Connors works within the firms quality control group ensuring that newly enacted GASB and FASB standards are properly implemented. He also serves as a team member on peer review engagements, assisting in performing peer reviews and both pre and post issuance reviews for firms across New England.

Professional & Civic Affiliations

American Institute of Certified Public Accountants (AICPA)
Massachusetts Society of Certified Public Accountants (MassCPAs)
Leading Edge Alliance Young Professionals Group

Continuing Professional Education

	2022	2021	2020
Yellow Book / Government Credits	15.5	7.5	55
Total CPE Credits	54.5	66.5	116.5

Yellow Book / Government Courses, 2020-2022

2022 Yellow Book Update, Becker Professional Education, 2022
AICPA Peer Review - Governmental--Government Auditing Standards, AICPA, 2022
2022 Accounting & Auditing Update, Marcum LLP, 2022
Design and Implementation Assessment Tool, Marcum LLP, 2022
New England Regional Assurance Update, Marcum LLP, 2022
RIOAG Training Event for Municipalities and their Auditors, Rhode Island Office of the Auditor General and Department of Revenue-Division of Municipal Finance, 2022
CPEA: Risk Assessment, Marcum LLP, 2021
Government Symposium Series: Key Current Topics Affecting Public Housing Authorities, Marcum LLP, 2021
Public Housing Authorities, Marcum LLP, 2021

PRACTICE FOCUS

- Governmental Audits
- Financial Statement Audits
- Financial Reporting
- Uniform Guidance
- Program Specific Audits
- Peer Reviews
- Agreed Upon Procedure Engagements

INDUSTRY FOCUS

- Government
- Municipalities
- Not-for-Profit
- Schools
- Public Housing Authorities
- Utility Districts
- Fire Districts
- Redevelopment Authorities
- Low Income Housing Tax Credits

EDUCATION

- Master of Business Administration
University of Massachusetts
- Bachelor of Science in
Accounting, University of
Massachusetts

MARCUM
ACCOUNTANTS ▲ ADVISORS

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*Licensed by the State of Rhode Island and the Commonwealth of Massachusetts

KYLE J. CONNORS, CPA*

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Auditing Standards Update and FASB / UG / COSO, Massachusetts Association of Accountants, 2020
GAQC Annual Update Webcast, AICPA, 2020
AICPA Peer Review Must-Select Industry Update: Governmental—Government Auditing Standards, AICPA, 2020
Accounting & Auditing Update, Marcum LLP, 2020
Housing Authority, Marcum LLP, 2020
Uniform Guidance Basics – Risk Assessment, Sample Size Determinations, Internal Control, Major Program Determination, Compliances, Marcum LLP, 2020
Governmental Accounting & Auditing Seminar, MassCPAs, 2020
GASB Update, Marcum LLP, 2020
HUD Not for Profit Entities, Marcum LLP, 2020
Marcum Government Symposium Webinar Series, Marcum LLP, 2020
 COVID-19 IMPACT ON ACTUARIAL VALUATIONS & PENSION PLANS, 2020
 ECONOMIC UPDATE, 2020
 HOT TOPICS RELATED TO GOVERNMENT PENSIONS, 2020
 IT RESILIENCE DURING COVID-19, 2020
 LEVERAGING ROBOTIC PROCESS AUTOMATION, 2020
 Managing Through COVID-19 - Local Government Perspective, 2020
 SINGLE AUDIT AS IT RELATES TO COVID-19, 2020
Not-for-Profit Accounting & Auditing, Marcum LLP, 2020
Not-for-Profit Reporting, Marcum LLP, 2020
Yellow Book & Independence, Marcum LLP, 2020

MARCUM
ACCOUNTANTS ▲ ADVISORS

marcumllp.com

WILLIAM D. SAWICKI, CPA*

DIRECTOR ► ASSURANCE SERVICES

203.781.9726

william.sawicki@marcumllp.com



William D. Sawicki is a director in the Firm's New Haven, Connecticut office and a member of the Firm's Quality Control group. He has more than 35 years of accounting and auditing experience working with municipalities, government agencies, housing authorities, nonprofit entities and employee benefit plan providers. He also has a particular expertise in audits under Government Auditing Standards, as well as Housing and Urban Development (HUD) and federal and state compliance audits.

Mr. Sawicki teaches continuing education classes on federal Uniform Guidance, governmental and not-for-profit auditing, Yellow Book, HUD programs and compliance, as well as audits of employee benefit plans to Firm associates throughout Marcum offices across the country. He has developed training materials in the aforementioned areas and also has engagement quality review responsibilities for audits in these areas.

Mr. Sawicki is the chair of Marcum LLP's National Employee Benefit Practice Committee. Their responsibilities under Mr. Sawicki's direction include providing firm-wide training on benefit plan audits, as well as keeping up on the latest accounting and auditing standards.

Mr. Sawicki has an extensive background working with the State of Connecticut on compliance related to special projects and funding sources. He has performed audit and other attest services for numerous agencies of the State of Connecticut and has been responsible for, and participated in, approximately 20 municipal audits in the State of Connecticut. In addition, Mr. Sawicki has led internal audit engagements involving bidding processes, overhead and cost allocations, construction change orders, retainage, budgets and facilities operations.

Professional & Civic Affiliations

American Institute of Certified Public Accountants (AICPA)
Connecticut Society of Certified Public Accountants (CTCPA)
Government Finance Officers Association, Connecticut Chapter
Seymour Volunteer Ambulance Association, Incorporator
Town of Seymour, Connecticut, Board of Finance, Chairman

PRACTICE FOCUS

- Employee Benefit Plans
- Federal & State Compliance Audits
- Governmental Audits
- Nonprofit Audits
- GAO Yellow Book Audits
- Internal Audits

INDUSTRY FOCUS

- Employee Benefit Plans
- Government
- Not-for-Profit

EDUCATION

- Bachelor of Science, Business Administration
University of New Haven

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marcumllp.com

WILLIAM D. SAWICKI, CPA*

DIRECTOR ► ASSURANCE SERVICES



203.781.9726



william.sawicki@marcumllp.com

Continuing Professional Education

	2022	2021	2020
Yellow Book / Government Credits	110.5	98.8	116
Total CPE Credits	211	215.8	174.5

Yellow Book Courses / Government, 2020-2022

2022 Single Audit Update, Marcum LLP, 2022
AICPA & CIMA Not-for-Profit Industry Conference, AICPA, 2022
Connecticut and Rhode Island Single Audit Workshop, Marcum LLP, 2022
HUD for Profit and NFP Update, Marcum LLP, 2022
Not-For-Profit Accounting & Auditing Update, Marcum LLP, 2022
Yellow book and HUD audits (Part 1), Marcum LLP, 2022
Yellowbook and Single Audits, Marcum LLP, 2022
AICPA & CIMA 2021 Governmental Accounting & Auditing Online Update, AICPA, 2021
AICPA Not-for-Profit Industry Conference , AICPA, 2021
CPEA: Risk Assessment, Marcum LLP, 2021
Marcum Government Symposium Webinar Series: Key Single Audit Topics, Marcum LLP, 2021
EBPAQC Designated Audit Quality Partner Audit Planning, AICPA, 2021
PHA (Public Housing Authority) Conference, Affordable Housing Association of CPAs (AHACPA), 2021
Uniform Guidance Revisions: What You Need to Know, AICPA, 2021
Independence Considerations, Marcum LLP, 2021
Not for Profits: Revenues and Other Concerns, Marcum LLP, 2021
OMB Chapter 6 Internal Control, Marcum LLP, 2021
Public Housing Authorities, Marcum LLP, 2021
Uniform Guidance, Marcum LLP, 2021
OMB Compliance Supplement and Single Audit Update, AICPA, 2020
AICPA Not-for-Profit Industry Conference, AICPA, 2020
Accounting & Auditing Update, Marcum LLP, 2020
Housing Authority, Marcum LLP, 2020
HUD Training, Marcum LLP, 2020
Marcum Government Symposium Webinar Series, Marcum LLP, 2020
 GASB Update, 2020
 Single Audit as it Relates to COVID-19, 2020
Not-for-Profit Entities: 2020 Audit Risk Alert, AICPA, 2020
For-Profit HUD Entities, Marcum LLP, 2020
HUD Not for Profit Entities, Marcum LLP, 2020
Not For Profit Accounting & Auditing, Marcum LLP, 2020
Not For Profit Reporting, Marcum LLP, 2020
Uniform Guidance Basics – Risk Assessment, Sample Size Determinations, Internal Control, Major Program
 Determination, Compliances, Marcum LLP, 2020
Yellow Book & Independence, Marcum LLP, 2020

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CHRISTINE KOLEV MULHERN, CPA*

SENIOR MANAGER ► ASSURANCE SERVICES



401.600.4762



christine.mulhern@marcumllp.com

Christine Kolev Mulhern is an assurance manager in the Providence, Rhode Island office. She has more than 8 years of experience in public accounting, specializing in accounting and audit services of governmental entities, not-for-profit organizations, and construction companies.

Professional & Civic Affiliations

American Institute of Certified Public Accountants (AICPA)
Rhode Island Young Accountants Network Committee (RIYAN)

Continuing Professional Education

	2021	2020	2019
Yellow Book / Government Credits	9	35.5	4
Total CPE Credits	110	158	117

Yellow Book Courses, 2019-2021

CPEA: Risk Assessment, Marcum LLP, 2021
 For-Profit HUD Entities, Marcum LLP, 2021
 Public Housing Authorities, Marcum LLP, 2021
 Accounting & Auditing Update, Marcum LLP, 2020
 Housing Authority, Marcum LLP, 2020
 Governmental Sector Accountants: An Introduction to GASB 87 Lease,
 CPA Academy, 2020
 GASB Update, Marcum LLP, 2020
 HUD Not for Profit Entities, Marcum LLP, 2020
 Introduction to Local Governments, Marcum LLP, 2020
 Not For Profit Accounting & Auditing, Marcum LLP, 2020
 Not For Profit Reporting, Marcum LLP, 2020
 Uniform Guidance Basics – Risk Assessment, Sample Size Determinations,
 Internal Control, Major Program Determination, Compliances, Marcum LLP, 2020
 Yellow Book & Independence, Marcum LLP, 2020
 A&A Update, Marcum LLP, 2019

PRACTICE FOCUS

- Financial Statement Audits
- Uniform Guidance
- Agreed-Upon Procedures
- Attest Services

INDUSTRY FOCUS

- State and Local Governments
- Not-for-Profit Organizations
- Construction

EDUCATION

- Bachelor of Science in Accounting
University of Massachusetts
Dartmouth
- Master of Science in Accountancy
Bridgewater State University



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* Licensed by the Commonwealth of Massachusetts

APPENDIX C

Peer Review Report





Report on the Firm's System of Quality Control

To the Partners of
Marcum LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Marcum, LLP (the "firm"), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended April 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, audits of broker-dealers, and examinations of service organizations [SOC 1 and 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Marcum, LLP, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended April 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Marcum, LLP has received a peer review rating of *pass*.

Brown, Edwards & Company, S. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
October 16, 2020

— Your Success is Our Focus —

319 McClanahan Street, S.W. • P.O. Box 12388 • Roanoke, VA 24025-2388 • 540-345-0936 • Fax: 540-342-6181 • www.BEcpas.com

APPENDIX D

Evidence Qualified to Conduct Business in Connecticut



3/22/23, 7:04 PM

Print Lookup Details



State of Connecticut

Lookup Detail View

Credential Holder

The following is a current record of credential information on file with the Department of Consumer Protection, State Board of Accountancy.

This page can be printed and serves as the official Credential Verification to be presented to all interested parties.

Name	Address
MARCUM LLP	730 Third Ave. 11th FL. Legal Dept. New York, NY 10017

Credential Information

Credential	Credential Type	Credential Name	First Issuance Date	Effective Date	Expiration Date	Status
CPAP.0004771	CERTIFIED PUBLIC ACCOUNTANT FIRM PERMIT	MARCUM LLP	10/06/2009	01/01/2023	12/31/2023	ACTIVE

Discipline

Discipline
If none listed below, there has been no discipline taken against this credential.

Generated on: 3/22/2023 7:03:42 PM

MARCUM LLP ACTIVE

10 MELVILLE PARK RD, MELVILLE, NY, 11747, United States

[BUSINESS DETAILS](#) [FILING HISTORY](#) [NAME HISTORY](#) [SHARES](#)

Business Details ^

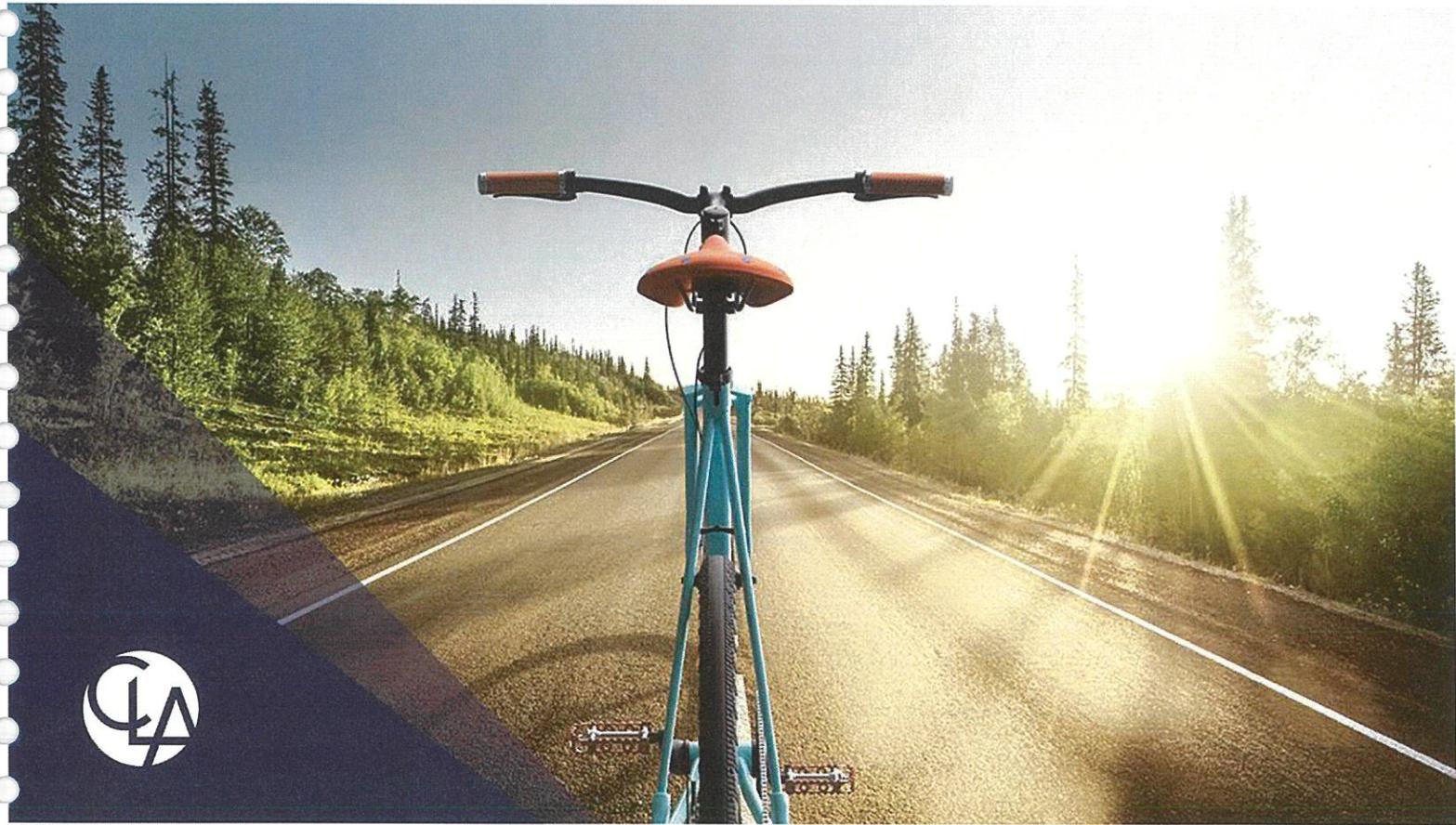
General Information -

Business Name	Business ALEI
MARCUM LLP	1008899
Business status	Date formed
ACTIVE	6/30/2010
Citizenship/place of formation	Business type
Foreign/NY	LLP
Business address	Mailing address
10 MELVILLE PARK RD, MELVILLE, NY, 11747, United States	10 MELVILLE PARK ROAD, MELVILLE, NY, 11747, United States
Annual report due	Last report filed
6/30/2023	2022
NAICS code	NAICS sub code
Offices of Certified Public Accountants (541211)	541211

Principal Details -

None

Agent details -



Title Page

Original

Town of East Hartford

Bid #23-25

Proposal for Professional Auditing Services

Firm's Name	CLA (CliftonLarsonAllen LLP)
Firm's Address	29 South Main Street, 4 th Floor West Hartford, CT 06107
Name of Principal	Vanessa Rossitto, CPA, Principal
Contact Information	860-561-6824 vanessa.rossitto@CLAconnect.com
Date of Submission	April 28, 2023

[CLAconnect.com](https://www.CLAconnect.com)

CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAGlobal.com/disclaimer](https://www.CLAGlobal.com/disclaimer).

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



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Letter of Transmittal

April 28, 2023

Melissa N. McCaw, Director of Finance
Office of the Purchasing Agent
Town of East Hartford
740 Main Street
East Hartford, CT 06108

RE: Request for Proposals (RFP) for Professional Auditing Services – Bid #23-25

Dear Ms. McCaw:

Thank you for inviting us to propose our services to you. We gladly welcome the opportunity to share our approach to helping Town of East Hartford (the Town) meet its need for professional services. The enclosed proposal responds to your request for audit services for four fiscal years, beginning June 30, 2023.

Understanding of the work to be performed

We have read the Request for Proposal (RFP) and understand the scope of the work to be performed as detailed in the RFP under “*Scope of Work to be Performed.*” Should CLA be selected to serve this engagement, we will perform these services within the time period specified in the RFP and as finalized in the planning stages of the engagement.

We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement. The following differentiators are offered for the Town’s consideration:

- **Industry-specialized insight and resources** – As one of the nation’s leading professional services firms, and one of the largest firms who specialize in regulated industries, CLA has the experience and resources to assist the Town with their audit needs. In addition to your experienced local engagement team, the Town will have access to one of the country’s largest and most knowledgeable pools of regulated industry resources.
- **OMB Uniform Guidance (UG) experience** – CLA performs single audits for hundreds of organizations annually, ranking top in the nation for the number of single audits performed by any CPA firm. The single audit requires a specific set of skills to properly perform the procedures. As such, we have developed a group of professionals who specialize in providing single audit services.
- **Strong methodology and responsive timeline** – In forming our overall audit approach, we have carefully reviewed the RFP and other information made available and considered our experience performing similar work for other municipalities. Our local government clients are included amongst the more than 4,200 governmental organizations we serve nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. We have developed a work plan that takes into consideration your unique needs as a governmental entity in Connecticut. The work plan also helps to minimize the disruption of your staff and operations and provides a blueprint for timely delivery of your required reports.



- **Communication and proactive leadership** – The Town will benefit from a high level of hands-on service from our team’s senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team stay abreast of key issues at the Town and take an active role in addressing them.
- **A focus on providing consistent, dependable service** – We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload compression typically experienced by firms that must meet public companies’ SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, the Town will enjoy the service of members of our state and local government services team who understand the issues and environment critical to governmental entities.

We are confident that our technical approach, insight, and resources will result in unsurpassed client service for the Town. For ease of evaluation, the structure of our proposal follows your RFP section titled, *Proposal Requirements*.

We are eager to work with you and welcome the chance to present our proposal to the audit and investigations committee or entire management team. If you have any questions about our offerings, please do not hesitate to contact me via the information below.

Sincerely,

CliftonLarsonAllen LLP



Vanessa Rossitto, CPA

Principal

860-561-6824

vanessa.rossitto@CLAconnect.com



2. Independence:

CLA is independent of the Town as required by auditing standards generally accepted in the United States and the U.S. Government Accountability Office's *Government Auditing Standards*. Our firm-wide quality control policies and procedures foster strict compliance with these professional standards. In addition, the individuals assigned to your audit are independent of the Town.



3. License to Practice in the State of Connecticut

CLA and all assigned key professional staff are properly licensed to practice public accountancy in the state of Connecticut. A copy of our state license is provided below:



4. Firm Qualifications and Experience:

Firm overview

CLA exists to create opportunities for our clients, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. Our broad professional services allow us to serve clients more completely — from startup to succession and beyond.

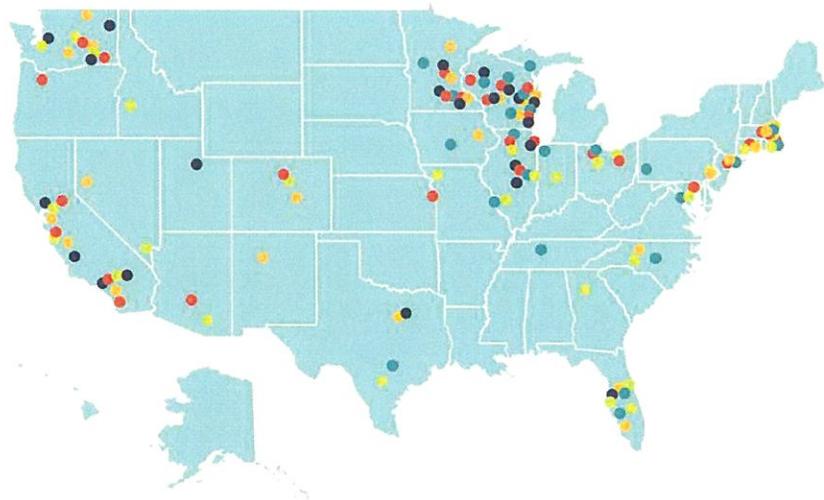
Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments. With more than 8,500 people in nearly 130 U.S. locations and a global vision, we promise to know you and help you.

8,500+
PEOPLE

130
NEARLY 130 U.S. LOCATIONS

AN INDEPENDENT
NETWORK MEMBER OF

CLA Global



It takes balance

With CLA by your side, you can find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go.

For two consecutive years, CLA has been certified as a Great Place to Work[®], based on employee feedback and workplace experience.



Size of firm’s governmental audit staff

With more than 550 professionals dedicated to our state and local government practice, CLA has one of the largest governmental audit and consulting practices in the country and brings extensive experience providing a variety of such services to state and local government entities. Our state and local government team serves more than 4,200 governmental engagements nationwide, including numerous cities, counties, municipalities, states and state agencies, and school boards. In addition, we perform single audits for hundreds of organizations annually, ranking top in the nation for the number of single audits performed by any CPA firm.

Office location assigned to manage the engagement

The Town will be served by our industry-specialized engagement team located in our West Hartford, Connecticut office, located at the address provided below:

CLA West Hartford
29 South Main Street, 4th Floor
West Hartford, CT 06107



Number and nature of professional staff to be employed on this engagement

The table below provides a breakdown by staff level and denotes full- or part-time status of the engagement team that will serve the Town. This team has extensive experience working with clients similar to the Town.

Level of Staff	Full-Time Staff	Part-Time Staff
Principal/Signing Director	1	-
Director/Manager	2	-
Senior	1	-
Associate	2-3	1

Governmental experience

CLA offers the credibility, reputation, and resources of a leading professional services firm — without sacrificing the small-firm touch. We bring unsurpassed levels of technical excellence, commitment, and dedication to our clients, which have made us one of the most successful professional service firms serving governmental entities. Our strong reputation for serving state and local government units provides the Town the confidence in their decision to select CLA as their professional service provider.

CLA has one of the largest governmental audit and consulting practices in the country, serving more than 4,200 governmental clients nationwide. Regulated industry clients represent approximately one-quarter of all firm-wide revenue, and each of the governmental services team members are well versed in the issues critical to complex governmental entities.

Our professionals have deep, technical experience in serving governmental entities. As a professional service firm experienced in serving state and local units of government, we are very aware of the financial and legal compliance requirements that government officials are faced with daily. This creates complexities and service issues within a unique operational and regulatory environment. Because of our experience, we have become adept at providing our clients with insights in this environment not typical of other professional service firms.

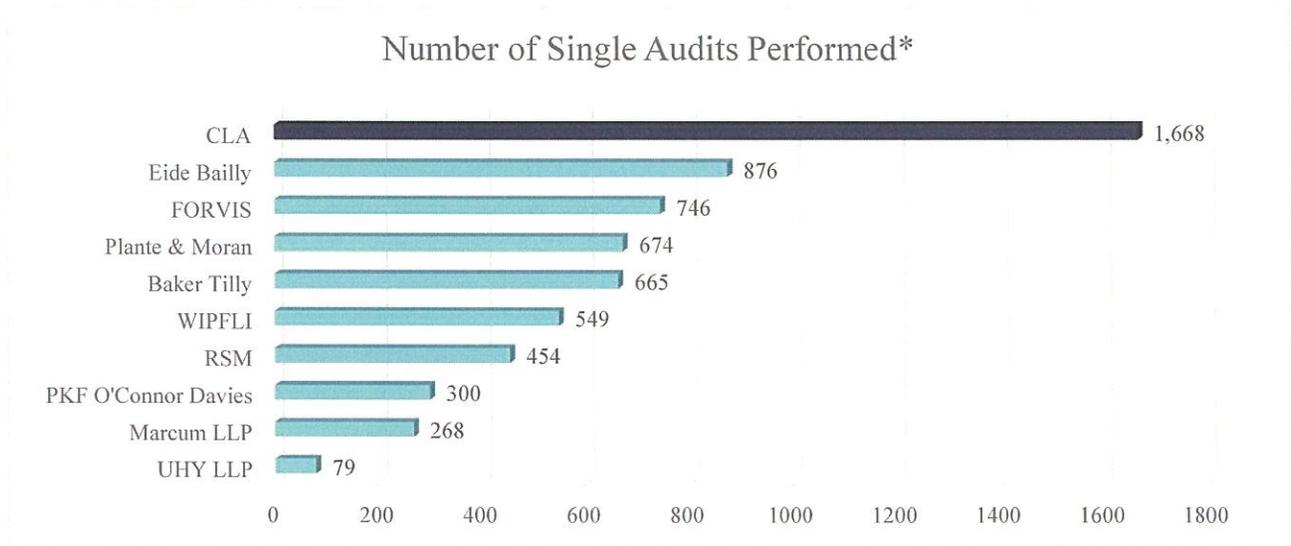


We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, allowing us to avoid the workload compression typically experienced by firms that must meet public companies' SEC filing deadlines. CLA is organized into industry teams, affording our clients specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, the Town will benefit from working with members of our state and local government services team who understand the issues and environment critical to governmental entities.



Single audit experience

The chart below illustrates CLA’s experience in serving organizations that receive federal funds and demonstrates our firm’s dedication to serving the government and nonprofit industry. **CLA performs the largest number of single audits in the United States. We audited nearly \$278 billion dollars in federal funds in 2021.**



*The information for the firms above was pulled from the Federal Audit Clearinghouse for audits with fiscal year ends between January 1, 2021 – December 31, 2021.

It is more important than ever to find qualified auditors who have significant experience with federal grants specific to the Town and can enhance the quality of the Town’s single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB’s Uniform Guidance and who can offer both knowledge and quality for the Town. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

Single Audit Resource Center (SARC) award

CLA received the [Single Audit Resource Center \(SARC\) Award](#) for Excellence in Knowledge, Value, and Overall Client Satisfaction. SARC’s award recognizes audit firms that provide an outstanding service to their clients based on feedback received from an independent survey.



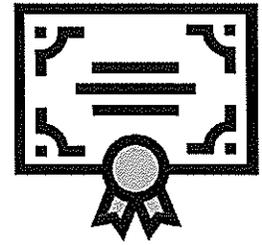
The survey queried more than 10,000 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2021 fiscal year-end audit. The SARC award demonstrates CLA’s dedication to serving the government and nonprofit industry and maintaining the most stringent regulatory requirements in those sectors.

You’ll need an audit firm experienced in performing single audits and a familiarity with the specific programs in which you are involved and will benefit from CLA’s experience in this area.



Certificate of achievement assistance

The Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting is awarded to state and local governments that go beyond the minimum requirements of generally accepted accounting principles. It is awarded to state and local governments who produce an annual comprehensive financial report that evidences the spirit of transparency and full disclosure. Members of the GFOA staff and the GFOA Special Review Committee (SRC) review reports submitted to the ACFR program.



CLA provides audit services to many entities that received the GFOA Certificate of Excellence in Financial Report. All of the procedures noted in our audit approach and our technical review of the ACFR are done to help the Town prepare and publish the top product possible. Our managers and principals who review the ACFR have a strong understanding of the GFOA requirement for the certificate. We understand that this is a prestigious award for the Town and a great accomplishment for the Finance and Accounting departments.

We will review the GFOA comment letter for each ACFR and provide the Town advice regarding the response to the GFOA reviewer's comments. Our procedures with respect to the ACFR will be the review of the comments from GFOA on the prior year submission to determine they were adequately addressed, completion of the ACFR checklist, and review of the transmittal letter and statistical data to determine that information presented is reasonable and agrees with the information in the financial statements and management's discussion and analysis (MD&A), where applicable.

We understand the interrelationships of the many and varied components of a governmental entity's financial statements, allowing us to quickly determine errors or problems with the financial statements. Our depth of knowledge and experience also allows us to assist the Town with the preparation of the ACFR and improvement of the Town's financial statements.

Our involvement with clients in the GFOA Certificate program helps to determine that we are on the leading edge of reporting trends and techniques. We have been engaged by various entities to review their statements for compliance with program requirements. We have aided clients in the early implementation of professional pronouncements and regularly provide our clients with updates on new pronouncements which will affect them and will do the same for the Town.

Additional services

In addition to the services outlined in the *Scope of Work to be Performed* for this proposal, CLA collectively offers a wide breadth of highly customized services and capabilities to meet our clients' wants and needs, including a sampling of the following:

- Forensic audits
- Internal audit, risk assessments, and evaluations
- Implementation assistance for complex accounting standards
- ACA Reporting
- Operational and financial systems consulting
- Operations and performance improvement
- Self-insured medical and PBM claim audits
- IT security and network vulnerability assessments
- Fraud risk assessment and investigations
- Strategic, financial, and operational consulting
- Outsourced accounting and public administration
- Strategic, business, and capital planning
- Organizational and financial health assessment
- Training and educational seminars
- Telecom cost savings assessments

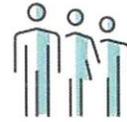
We pride ourselves on taking the initiative to meet each and every need of our clients, and therefore are always prepared to take on additional projects. However, independence is our first concern when providing additional services. Independence can easily become impaired when providing consulting services; therefore, we do not provide any services to our audit clients beyond those allowed.

If additional work is requested by the Town outside of the scope of the audit, we will discuss with you our proposed fee for additional services prior to beginning the new services.



5. Principal, Supervisory, and Staff Qualifications and Experience

An experienced engagement team has been aligned to provide the most value to your organization. The team members have performed numerous engagements of this nature and can commit the resources necessary to provide top quality service throughout the engagement. Following are our proposed management team members:



The most important resource any business has is people – *the right people*.

Engagement Team Member	Role	Years' Experience
<p>Vanessa Rossitto, CPA <i>Principal</i></p>	<p>Engagement principal – Vanessa will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year. Vanessa Rossitto is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.</p>	25+
<p>Jeffrey Ziplow, MBA, CISA, CGEIT <i>Principal</i></p>	<p>Information systems – Jeff will serve as the Information Technology (IT) and General Control systems resource to the Town’s engagement. He will perform a review of Information Systems (IS) controls to conclude whether they are properly designed and operating effectively. For IS-related controls that we deem to be ineffectively designed or not operating as intended, he will communicate our findings and will provide recommendations to improve internal controls.</p>	35+
<p>Heather Plitt, CPA, MBA <i>Director</i></p>	<p>Technical resource director – Heather will be the technical resource for the audit team as well as the Town personnel. Heather’s many years of serving governmental entities will be an invaluable resource.</p>	18+

Engagement Team Member	Role	Years' Experience
Jessica Aniskoff, CPA, MBA <i>Manager</i>	Engagement manager – Jessica will act as the lead manager on the engagement. In this role, Jessica will assist the engagement principal with planning the engagement and performing complex audit areas. She will perform a technical review of all work performed and is responsible for the review of the annual comprehensive financial report and all related reports.	16+
Brandon Cathcart, MSA <i>Senior</i>	Senior – Brandon will be responsible for the day-to-day activities for this engagement, including the supervision of all staff assigned.	5+
Additional staff – We will assign additional staff to your engagement based on your needs and their experience providing services to similar clients. The staff assigned to your team will be from our 241 - Connecticut offices with state and local government as their industry focus at CLA.		

Detailed biographies are available in [Appendix A](#) of this proposal.

IT & Risk management

CLA believes that a good audit yields substantial information for management and is a valuable tool in recognizing opportunities and identifying areas that can be strengthened. In that regard, we have assigned an experienced Information Technology (IT) resource principal to the Town's audit.

Including an IT professional on the Town's audit is a value-added service that is not always offered by all firms that conduct municipal audits.

Continuity of service

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, providing maximum efficiency and keeping the learning curve low. With a solid, steady engagement team, each year brings the additional benefits of trust and familiarity. We are also flexible in exploring alternative strategies to non-mandatory rotation policies.

In any business, however, turnover is inevitable. If and when it happens, we will provide summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have a number of qualified staff members to provide the Town with quality service over the term of the engagement.

CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. High retention rates also indicate that our staff members have the resources they need to perform their tasks and maintain a positive work/life balance.



Communication with management

Our key to success has been our ability to execute our work plans in an efficient manner. We have found that the more communication we have with our clients, the more efficient we can be and the more value we can bring to your organization.

Effective communication is critical to the success of our services. Through our client service focus, we emphasize developing a close professional working relationship with management. In this way, accounting and reporting issues can be identified and resolved on a timely basis. Our goal is to contact you as soon as any issue arises and to keep you ahead of the curve on what is happening during your engagement. However, should you have any questions or concerns, do not hesitate to contact us outside of any formal meetings.

We strive to respond to any communication within 24 hours of receipt, but our typical response times are much shorter as many phone calls, emails, etc. are returned the same day. It is our professional responsibility to keep management informed of current trends and industry developments.



6. Similar Engagement with Other Government Entities:

CLA serves over 70 municipalities in the State of Connecticut. We have provided a list of representative entities on the following pages.

Sample Listing of Municipalities in New England		
Municipalities in Connecticut		
City of Bridgeport, CT*	City of Bristol, CT*	City of Groton, CT
City of Hartford, CT*	City of Meriden, CT*	City of Middletown, CT*
City of Milford, CT	City of New Britain, CT*	City of Norwalk, CT*
City of Norwich, CT*	City of Torrington, CT*	City of Waterbury, CT*
Town of Avon, CT*	Town of Bloomfield, CT	Town of Branford, CT
Town of Burlington, CT	Town of Cheshire, CT*	Town of Coventry, CT
Town of Darien, CT*	Town of East Haddam, CT*	Town of East Hartford, CT*
Town of Granby, CT	Town of Ellington, CT*	Town of Enfield, CT*
Town of Guilford, CT*	Town of Haddam, CT	Town of Groton, CT*
Town of Lebanon, CT	Town of Ledyard, CT*	Town of Hebron, CT*
Town of Mansfield, CT*	Town of Montville, CT*	Town of Manchester CT*
Town of Middlebury, CT	Town of Plainville, CT*	Town of Marlborough, CT
Town of Old Lyme, CT	Town of Simsbury, CT*	Town of Newington, CT*
Town of Rocky Hill, CT*	Town of Southington, CT*	Town of Ridgefield, CT*
Town of Southbury, CT	Town of Wallingford, CT*	Town of South Windsor, CT*
Town of Tolland, CT*	Town of Weston, CT	Town of Stratford, CT*
Town of West Hartford, CT*	Town of Wilton, CT	Town of Westport, CT*
Town of Wethersfield, CT*	Town of Wolcott, CT	Town of Windham, CT*
Additional Municipalities in New England		
City of Amesbury, MA	City of Beverly, MA	City of Brockton, MA
City of Burlington, VT	City of Chelsea, MA	City of Cranston, RI
City of East Providence, RI	City of Fall River, MA	City of Framingham, MA
City of Franklin, NH	City of Gardener, MA	City of Gloucester, MA
City of Leominster, MA	City of Lowell, MA	City of Marlborough, MA
City of Medford, MA	City of Melrose, MA	City of Newport, RI
City of Newton, MA	City of Pawtucket RI	City of Providence, RI
City of Quincy, MA	City of Salem, MA	City of Somerville, MA
City of Waltham, MA	City of Warwick, RI	City of Woburn, MA



City of Worcester, MA	City of Worcester, MA	City of Worcester, MA
Town of Acton, MA	Town of Arlington, MA	Town of Ashby, MA
Town of Ayer, MA	Town of Barre, VT	Town of Barre, VT
Town of Bedford, MA	Town of Belmont, MA	Town of Berlin, MA
Town of Blackstone, MA	Town of Bourne, MA	Town of Bow, NH
Town of Braintree, MA	Town of Burlington, MA	Town of Carlisle, MA
Town of Charlestown, RI	Town of Chelmsford, MA	Town of Concord, MA
Town of Coventry, RI	Town of Danvers, MA	Town of Dedham, MA
Town of Dennis, MA	Town of Dighton, MA	Town of Douglas, MA
Town of Dover, MA	Town of Dracut, MA	Town of Duxbury, MA
Town of East Greenwich, RI	Town of East Greenwich, RI	Town of East Kingston, NH
Town of Eastham, MA	Town of Edgartown, MA	Town of Enfield, NH
Town of Epping, NH	Town of Essex, MA	Town of Foxborough, MA
Town of Georgetown, MA	Town of Gilford, NH	Town of Gorham, NH
Town of Hamilton, MA	Town of Harvard, MA	Town of Hingham, MA
Town of Hollis, NH	Town of Hollis, NH	Town of Ipswich, MA
Town of Jamestown, RI	Town of Johnston, RI	Town of Lexington, MA
Town of Littleton, MA	Town of Lynnfield, MA	Town of Mansfield, MA
Town of Marblehead, MA	Town of Marshfield, MA	Town of Mashpee, MA
Town of Middleton, MA	Town of Millbury, MA	Town of Millis, MA
Town of Nahant, MA	Town of Natick, MA	Town of New Castle, NH
Town of New Shoreham, RI	Town of Newbury, MA	Town of Newton, NH
Town of Norfolk, MA	Town of North Andover, MA	Town of Northborough, MA
Town of Norwood, MA	Town of Oak Bluffs, MA	Town of Pelham, NH
Town of Provincetown, MA	Town of Randolph, MA	Town of Richmond, RI
Town of Sherborn, MA	Town of Shirley, MA	Town of South Kingstown, RI
Town of Sterling, MA	Town of Stoneham, MA	Town of Stoughton, MA
Town of Stratham, NH	Town of Sudbury, MA	Town of Swampscott, MA
Town of Swansea, MA	Town of Tewksbury, MA	Town of Thornton, NH
Town of Tiverton, RI	Town of Wakefield, NH	Town of Walpole, NH
Town of Wareham, MA	Town of Watertown, MA	Town of Wayland, MA
Town of Webster, NH	Town of Wenham, MA	Town of West Greenwich, RI
Town of West Warwick, RI	Town of Westborough, MA	Town of Wilmington, MA
Town of Winchester, MA	Town of Winthrop, MA	
CLA Clients in Connecticut with a Population of 40,000 and a \$150,000 Budget or More		
City of Bridgeport, CT	City of Hartford, CT	City of Waterbury, CT



City of Norwalk, CT	City of New Britain, CT	Town of West Hartford, CT
City of Meriden, CT	City of Bristol, CT	Town of Manchester, CT
Town of Stratford, CT	City of Milford, CT	City of Middletown, CT
Town of Wallingford, CT	Town of Southington, CT	Town of Enfield, CT

*Received Certificate of Achievement in Financial Reporting

The Town can benefit from deep, national industry experience, complemented by a team dedicated to accessibility and responsiveness. We are pleased to provide you with the following references, who can describe their experience in greater detail.

Town of Westport, Connecticut	
Client Contact	Gary Conrad, Finance Director
Phone Number Email	203-341-1000 gconrad@westportct.gov
Address	110 Myrtle Avenue, Westport CT 06880
Services Provided	Financial Statement Audit, Federal Single Audit, State Single Audit, EFS Agreed Upon Procedures, Process Consulting, ACFR

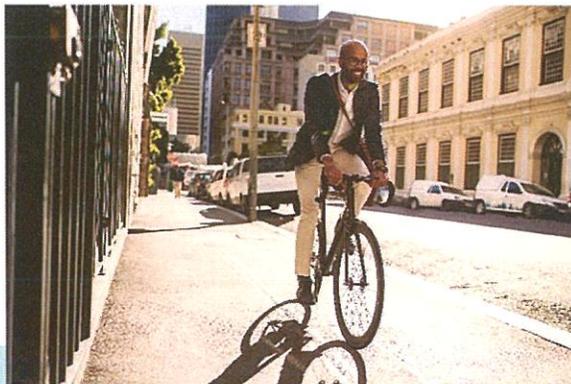
Town of Wallingford, Connecticut	
Client Contact	Tim Sena, Comptroller
Phone Number Email	203-294-2072 comptroller@wallingfordct.gov
Address	45 South Main Street, Wallingford CT 06492
Services Provided	Financial Statement Audit, Federal Single Audit, State Single Audit, EFS Agreed Upon Procedures, GASB 87 Assistance, ACFR

Town of Groton, Connecticut	
Client Contact	Dee Morrison, Interim Finance Director
Phone Number Email	860-441-6690 dmorrison@groton-ct.gov
Address	45 Fort Hill Road, Groton CT 06340
Services Provided	Financial Statement Audit, Federal Single Audit, State Single Audit, EFS Agreed Upon Procedures, ACFR



7. Sale of the Auditing Firm:

CLA agrees that in the event of the sale of the firm to another entity or the merger of the firm with another entity during the performance of the services required as set forth in Section II of the RFP, the personnel of the firm conducting these services for the Town of East Hartford shall not change without the consent of the Town.



Service Approach

Seamless assurance advantage: a different way to audit

Many organizations view an audit as a requirement that doesn't contribute to their overall operations or value. At CLA, we believe an audit should be an annual check-up that gives you insight into your organization, allowing you to take advantage of opportunities and improve your operations.



Our industry experience makes it easier — CLA auditors are industry aligned, making our audit process fast and smooth. We focus on operational efficiency and leverage our industry experience to bring you meaningful insights that go beyond compliance requirements. A dedicated team of professionals will listen to your goals and concerns, then work with you to navigate industry pressures, changing markets, and complex standards, all with a common goal to drive your business toward success.

Your time has value — Your day is filled with competing priorities and constant distractions. We elevate your experience by utilizing a variety of communication tools, such as a web-based document portal, video conferencing, email, and phone calls, to keep everyone informed and on track. These tools provide flexibility to choose where and how your audit is performed. In contrast to a traditional engagement, where a team spends weeks on site at your location, our Seamless Assurance Advantage focuses on having the right team members on your engagement and isn't dependent on physical locations.

No transition issues

No transition issues — As your current auditor of choice, the transition into the new fiscal year will be entirely seamless.

No surprises — We will provide the Town with a no-surprises approach to our services, based on frequent and timely communication and clarity around roles and expectations. If issues arise during your audit, we engage the right people in a frank discussion to resolve them.

Significant involvement of principals and managers — Our principals and managers are directly involved in your engagement and can proactively identify significant issues and resolve them with management. Your time is best spent with key decision makers so you can ask clarifying questions, discuss organizational strategies, and navigate sensitive reporting issues.

We tailor the audit just for you — While our audit programs provide typical approaches for given audit areas, CLA designs a client-specific, risk-based audit approach for each client. We use custom, industry-tailored programs, procedures, and tools designed specifically to focus on applicable issues.

You'll learn about what we're doing and what we've found in plain, everyday language — By working closely with your staff, CLA continuously learns about your organization. This involvement enables us to offer recommendations for improvements in your systems and procedures that are more comprehensive, better understood, and more frequently implemented.

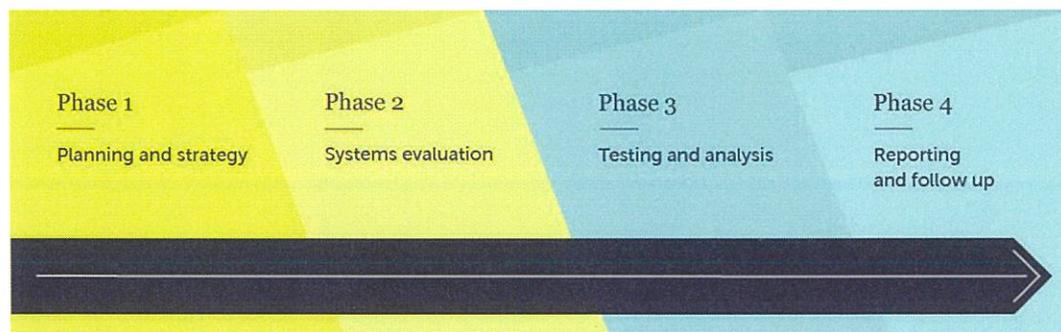
When performing an audit, we are sensitive and understanding of the fact that we report to those charged with governance. We maintain objectivity and independence to be able to issue our audit opinions. We will act within our philosophy of total client service, maintain the professional relationship refined with management, and fulfill our responsibilities with the utmost professionalism.



Year-long support — We encourage your staff to take advantage of our accessibility throughout the year for questions that may arise. Our people can provide proactive advice on new accounting or GAAP pronouncements and their potential impact; help with immediate problems, including answers to brief routine questions; and share insights and best practices to assist in planning for your future success.



Financial statement audit approach



Phase 1: Planning and strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures.

- Conduct an entrance meeting. Vanessa Rossitto and staff will meet with the Town personnel to agree on an outline of responsibilities and time frames:
 - Establish audit approach and timing schedule
 - Assistance to be provided by the Town personnel
 - Application of generally accepted accounting principles
 - Initial audit concerns
 - Concerns of the Town’s management
 - Establishment of report parameters and timetables
 - Progress reporting process
 - Establish principal contacts
- Gain an understanding of the operations of the Town, including any changes in its organization, management style, and internal and external factors influencing the operating environment
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
- Determine the likelihood of effective Information Systems (IS) - related controls
- Perform a preliminary overall risk assessment
- Confirm protocol for meeting with and requesting information from relevant staff
- Establish a timetable for the fieldwork phase of the audit
- Determine a protocol for using TeamMate Analytics and Expert Analyzer (TeamMate), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
- Compile an initial comprehensive list of items to be prepared by the Town, and establish deadlines

We will document our planning through:

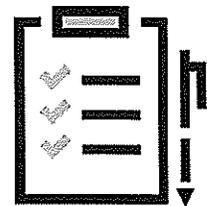
- **Entity profile** — This profile will help us understand the Town's activities, organizational structure, services, management, key employees, and regulatory requirements.
- **Preliminary analytical procedures** — These procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.
- **General risk analysis** — This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations, and other key planning considerations.
- **Account risk analysis** — This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.
- **Prepared by client listing** — This document will contain a listing of schedules and reports to be prepared by the Town personnel with due dates for each item.
- **Assurance Information Exchange (AIE)** — CLA utilizes a secure web-based application to request and obtain documents necessary to complete client engagements. This application allows clients to view detailed information, including due dates for all the items CLA is requesting. Clients can attach electronic files and add commentary related to the document requests directly on the application.

A key element in planning this audit engagement will be the heavy involvement of principals and managers. We will clearly communicate any issues in a timely manner and will be in constant contact with you as to what we are finding and where we expect it will lead.

Using the information we have gathered and the risks identified, we will produce an audit program specifically tailored to the Town that will detail the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.

Phase 2: Systems evaluation

We will gain an understanding of the internal control structure of the Town for financial accounting and relevant operations. Next, we will identify control objectives for each type of control material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:



- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles, not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.



Our assessment of internal controls will determine whether the Town has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated Prepared by Client Listing based on our test results and our anticipated substantive testing.

During the internal control phase, we will also perform a review of general and application IS controls for applications significant to financial statements to conclude whether IS general controls are properly designed and operating effectively.

Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then assess the significant computer-related controls.

For IS-related controls we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support appropriate findings and will provide recommendations to improve internal controls. For those IS controls we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.

Phase 3: Testing and analysis

The extent of our substantive testing will be based on results of our internal control tests. Audit sampling will be used only in those situations where it is the most effective method of testing.

After identifying individually significant or unusual items, we will decide the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase the percent of coverage of the account balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use TeamMate to efficiently control and select our samples.

Our work papers during this phase will clearly document our work as outlined in our audit programs. We will provide the Town with status reports and be in constant communication with the Town to determine that all identified issues are resolved in a timely manner. We will hold a final exit conference with the Town to summarize the results of our fieldwork and review significant findings.



Phase 4: Reporting and follow up

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards
- Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*
- Independent Auditors' Report on Compliance for Each Major State Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act
- Management Letter
- Written Communication to Those Charged with Governance, which includes the following areas:
 - Our responsibility under auditing standards generally accepted in the United States of America
 - Changes in significant accounting policies or their application
 - Unusual transactions
 - Management judgments and accounting estimates
 - Significant audit adjustments
 - Other information in documents containing the audited financial statements
 - Disagreements with the Town
 - The Town's consultations with other accountants
 - Major issues discussed with management prior to retention
 - Difficulties encountered in performing the audit
 - Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, our opinion, the financial statements, and management letter will be issued.

The Town will be given a draft of any comments we propose to include in the management letter. Items not considered major may be discussed verbally with management instead of in the management letter. Our management letter will include items noted during our analysis of your operations.

We will make a formal presentation of the audit results to those charged with governance, if requested.



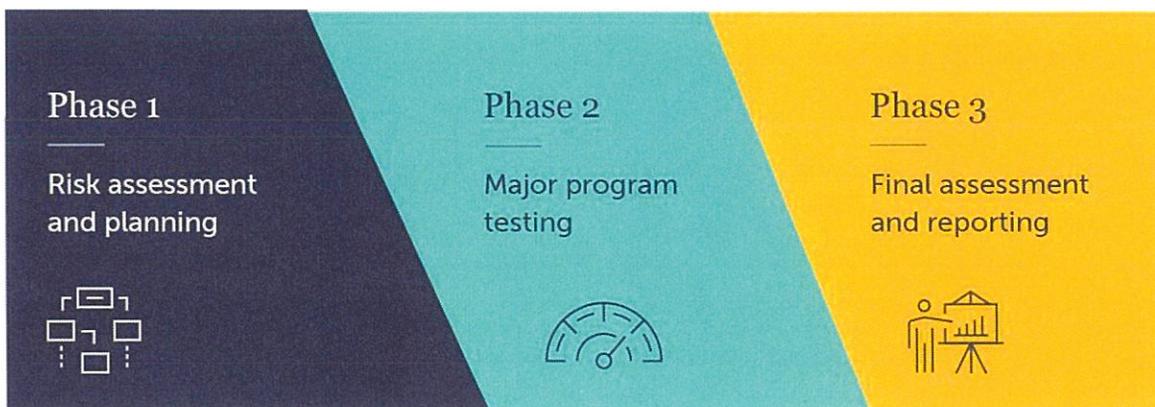
Single audit approach

In the current environment of increased oversight, it is more important than ever to find qualified auditors who have significant experience with federal and state grants specific to the Town and can enhance the quality of the Town's single audit. Therefore, the single audit will be performed by a team of individuals who specialize in single audits in accordance with the *Uniform Guidance* (federal single audit) and the Connecticut State Single Audit Act who will offer both knowledge and quality for the Town. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

Grant compliance can be a confusing topic and many of our clients rely on their federal and state funding as a major revenue source, so it is important that they understand what the compliance requirements are for their organization. CLA professionals are available to provide guidance and tools tailored to the Town's needs, and to assist in compliance with the requirements set forth in the *Uniform Guidance* and the Connecticut State Single Audit Act.

The AICPA clarified auditing standard; AU-C 935 "Compliance Audits" requires risk-based concepts to be used in all compliance audits including those performed in accordance with the *Uniform Guidance* and the Connecticut State Single Audit Act. Our risk-based approach incorporates this guidance.

We will conduct our single audit in three primary phases, as shown, below:



Phase 1: Risk assessment and planning

The risk assessment and planning phase will encompass the overall planning stage of the single audit engagement. During this phase, we will work closely with the Town's management to determine that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We will also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We will accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs
- Utilizing the preliminary Schedule of Expenditure of Federal Awards and Schedule of Expenditures of State Finance Assistance, we will identify the Type A and Type B programs in accordance with the *Uniform Guidance* and the Connecticut State Single Audit Act
- Identify the programs tested and the findings reported for the past two fiscal years. Determine and document the program risk based on the past two single audits.

- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs
- Determine the major programs to be tested for the current fiscal year based on the previous steps
- Based on our determination of the major programs, we will obtain the current year compliance supplement to aid in the determination of Direct and Material Compliance requirements, and customize the audit program accordingly
- Determine the preferred methods of communication during the audit

Phase 2: Major program testing

We will determine the programs to be audited based on the risk assessment performed in the planning phase. We will perform the audit of the programs in accordance with the *Uniform Guidance* and the Connecticut State Single Audit Act.

To accomplish this, we will perform the following:

- Schedule a meeting and notify the Town's management of the major programs for the current fiscal year
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance
- Perform tests of compliance and internal controls over compliance for each major program identified
- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they arise
- Conduct entrance and exit conference meetings with each grant manager

Phase 3: Final assessment and reporting

We will re-perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance is received to determine if additional major programs were identified.

Based on the final determination of the programs we will perform the following:

- Identify Type A and significant Type B programs which were not previously identified
- Re-assess the risk and determine if we are required to audit additional programs
- Prepare the Schedule of Findings and Questioned Costs
- Conduct exit conference with the Town's management to review drafts of required reports:
 - Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in Accordance with Government Auditing Standards
 - Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*
 - Independent Auditor's Report on Compliance for Each Major State Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of State Financial Assistance Required by the Connecticut State Single Audit Act

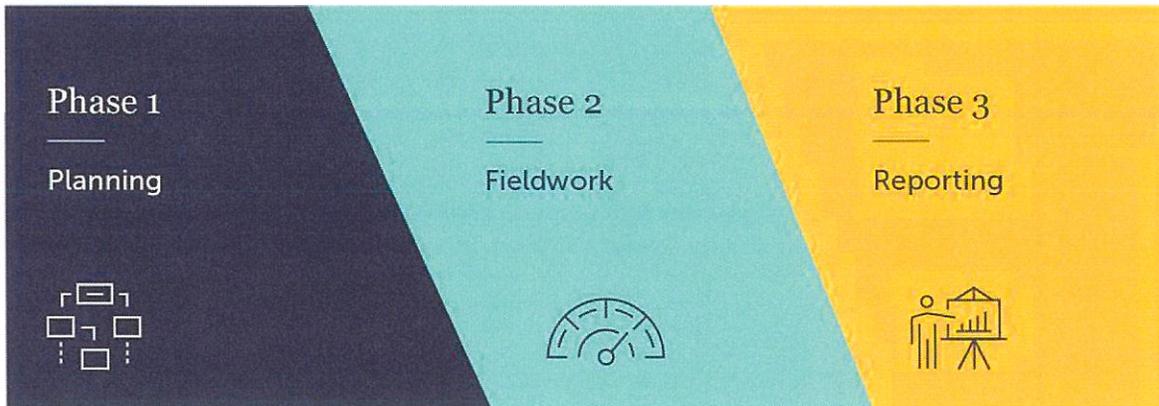
Throughout the single audit, we will maintain communication through periodic progress meetings with those designated by the Town. These meetings will be on a set schedule, but as frequently as the Town determines. During these meetings, we will discuss progress impediments and findings as they arise.



Agreed-upon procedures approach – Education Financial System (EFS)

Your engagement team will maintain regular, ongoing communication at each step of the engagement — providing the Board of Education of the Town (BOE) ample opportunities to benefit from our insights and observations. To help support timely completion, the BOE will be continually informed of our progress.

Our procedures will be performed in accordance with the Connecticut State of Department of Education guidelines for the Agreed Upon Procedures for the Education Financial System (EFS) (Formerly known as the ED-001).



Phase 1: Planning

The outcomes of this stage will form the basis for our approach to the AUP. During this stage, the engagement team will:

- Discuss the procedures to be applied
- Consider whether the requested procedures are appropriate for meeting the stated objectives
- Establish and document an understanding of the procedures to be performed
- Obtain an understanding of the objectives, the informational needs, and the nature of the documents to be reviewed
- Confirm our understanding of the BOE's requirements

Phase 2: Fieldwork

While conducting our fieldwork, we will utilize our understanding of the BOE's organization. During all phases of fieldwork, the engagement team will be in constant communication with the BOE's designee. If necessary, we will also advise the BOE of any unusual circumstances requiring attention.

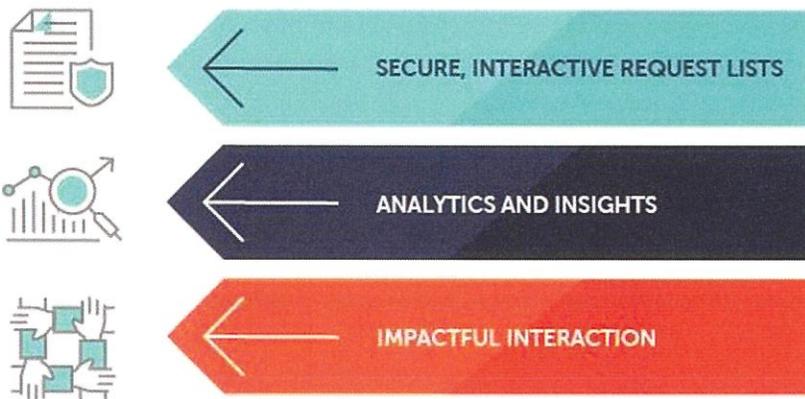
During the fieldwork phase, we will use statistical and non-statistical sampling when deemed appropriate.

Phase 3: Reporting

The results of our fieldwork provide the basis for the issuance of our reports. All fieldwork will first be reviewed by the manager, before being reviewed by the engagement principal. Each report will then be reviewed by a quality control principal. After the independent review, we will then circulate a draft to the BOE management for their approval, after which we will issue the report.

Use of technology in the audit

We're reimagining the audit process through technology to elevate your experience!



Assurance Information Exchange (AIE) — CLA offers a secure web-based application to request and obtain documents necessary to complete client engagements. This application allows clients to view detailed information, including due dates for items that CLA requests. Additionally, the application allows clients to attach electronic files and add commentary related to the document requests directly on the application. AIE is provided at no additional cost, subject to the terms of the Assurance Information Exchange Portal Agreement.

TeamMate Analytics and Expert Analyzer (TeamMate) — To analyze and understand large data sets, we use TeamMate Analytics and Expert Analyzer. We customize the application by industry in order to perform the most applicable procedures. This allows us to go beyond sampling and instead analyze the entire general ledger for targeted anomalies. Far beyond the audit application, our six-phase process of Risk Assessment, Data Analytics and Review (RADAR) can also provide actionable insights to help you understand your entity better.

Microsoft® Teams — Our services approach focuses on impactful interactions. We've said goodbye to the days of setting up camp in our clients' conference rooms for weeks on end. We know our clients have organizations to run, so our interactions have purpose. To assist with communications when we are not onsite, we utilize tools such as Microsoft Teams, which allow for two-way screen sharing and video. We've found this helps minimize disruptions in our clients' environments while continuing to effectively communicate with each other.

Professional Fees

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

CLA understands the importance of providing our clients with value-added strategies. We propose to provide routine, proactive quarterly meetings—as part of our fee—that will allow us to review and discuss with you the impact of new accounting issues, as well as any other business issues you are facing and how they should be handled. This level and frequency of interaction will no doubt enable CLA to help you tackle challenges as they come up and take full advantage of every opportunity that presents itself.

Professional Services	2023	2024	2025	2026	2027
Total Audit Fee	\$92,000	\$96,600	\$101,400	\$106,500	\$111,800

Our clients don't like fee surprises. Neither do we. We commit to you, as we do all of our clients, that:

- We will be available for brief routine questions at no additional charge, a welcome investment in an ongoing relationship.
- Like most firms, we are investing heavily in technology to enhance the client experience, protect our data environment, and deliver quality services. We believe our clients deserve clarity around our technology and client support fee, and we will continue to be transparent with our fee structure.
- Any additional charges not discussed in this proposal will be mutually agreed upon up front.
- We will always be candid and fair in our fee discussions, and we will avoid surprises.

Fee considerations

The fee proposal is based on the following:

- The Town personnel will help periodically throughout the year and during the assurance fieldwork regarding account analysis and provision of year-end account reconciliation workpapers and schedules.
- The assurance reports will be delivered in accordance with the Town's deadlines.
- Satisfactory completion of our firm's normal client acceptance procedures.
- Professional standards and regulations currently in effect. We reserve the right to modify your proposed fee if professional standards or regulations change for any engagement period.
- No significant changes in the operations of the Town after the date of this proposal.



Fee increase

Our fees are based on professional standards and regulations currently in effect and barring any changes in the nature or requirements of the engagement, our annual fees will increase in accordance with the increases in our payroll and overhead costs. In addition, costs could increase due to substantial changes in your office locations, asset size, and/or operational structure.

Billing for phone calls and questions

It is not our policy or practice to bill our clients every time we receive a phone call or email. While providing our services to you, we will regularly consult with you regarding accounting, financial reporting, and significant business issues. If a specific project is complex or requires significant time or resources, we will discuss the scope of the project and its fee with you first to make sure there are no surprises. While it is difficult to establish an exact policy for billing in these situations, we commit to discussing the request with you in advance of performing our services if we believe the time requirement to provide you the desired assistance is other than routine. We will discuss the scope of the project and our estimate to complete it prior to commencing work.



Our last word on fees — we are committed to serving you. Therefore, if fees are a deciding factor in your selection of an accounting firm, we would appreciate the opportunity to discuss our scope of services.

At CLA, it's more than just getting the job done.



Appendix

A. Engagement team biographies





Vanessa Rossitto, CPA

CLA (CliftonLarsonAllen LLP)

Principal
West Hartford, Connecticut

860-561-6824
vanessa.rossitto@CLAconnect.com



Profile

As principal, Vanessa performs a wide variety of significant audit engagements, including financial and compliance audits of government and quasi-government engagements. She has more than 25 years of experience in government accounting and auditing. Vanessa is knowledgeable of the reporting requirements of both Uniform Guidance and the State Single Audit Act. She has played an instrumental role in obtaining and maintaining the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for her clients.

Vanessa serves on the Special Review Committee for the GFOA Certificate of Achievement for Excellence in Financial Reporting. She has also testified before the State Legislative Program Review and Investigations Committee on behalf of the Connecticut Society of Certified Public Accountants on Raised Bill No. 1034, An Act Concerning Regional School District Governance.

Technical experience

- Audit and accounting
- Single audits
- Financial statement audits

Education and professional involvement

- Bachelor of science in accounting from Central Connecticut State University, New Britain, Connecticut
- American Institute of Certified Public Accountants
- Connecticut Society of Certified Public Accountants – Government Committee Member; Executive Director Search Committee Chairperson; Past Member, Strategic Planning Committee; Past Chair, Governmental Accounting and Auditing Committee; Past Treasurer, Board of Directors
- Government Finance Officers Association of Connecticut
- Government Finance Officers Association of the United States and Canada – Special Review Committee, GFOA Certificate of Achievement for Excellence in Financial Reporting; Special Review Executive Committee



Civic organizations

- Tri-State Diversity Council
- Leadership Greater Hartford, *Board of Directors; Finance Committee; Class of 2000*
- Hartford Area Habitat for Humanity, *Past Vice President, Board of Directors; Past Chair, Governance Committee, Past Chair, Audit Committee*
- Connecticut Council of Small Towns
- Charter Oak State College Foundation, *Past Board Member*

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Jeffrey Ziplow, MBA, CISA, CGEIT

CLA (CliftonLarsonAllen LLP)

Principal
West Hartford, Connecticut

860-561-6815
jeffrey.ziplow@CLAconnect.com



Profile

Jeff is a principal in the firm's business risk advisory service group. Over his 35-year career he has had significant experience working with organizations to assess their IT controls as they relate to business operations and helps to develop recommendations to mitigate risk. In this role, Jeff works with clients on data breach responses, cyber security risk assessments and provides insight and guidance on developing better security practices. In addition, he works on process control related projects to enhance operational efficiencies and provide tangible control recommendations.

Jeff also oversees various IT audits based on the AICPA's SSAE-18 (SOC-1) and AT-101 (SOC-2) compliance standards as well as working with the NIST based security standards. Over the past several years, he has been actively involved in providing cybersecurity and risk assessments presentations to municipalities, nonprofits, and various companies to enhance leadership in these areas. He also works with the attorney generals of Connecticut, Florida, and Indiana to provide guidance/support on cyber security matters.

Technical experience

- Risk management
- Information system
- Security assessments
- Processes and controls
- SOC-1 and SOC-2 audits
- HIPAA audits
- NIST compliance standards

Education and professional involvement

- Master of business administration from Boston College, Boston, Massachusetts
- Bachelor of arts from the University of Vermont, Burlington, Vermont
- Certified Information Systems Auditor
- Certified Governance of Enterprise IT
- Information Systems Audit and Control Association
- Government Finance Officers Association of Connecticut

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Heather Plitt, CPA, MBA

CLA (CliftonLarsonAllen LLP)

Director
Baltimore, Maryland

410-453-5571
heather.plitt@CLAconnect.com



Profile

Heather has more than 18 years of experience and is a quality reviewer with the National Assurance Technical Group, focusing on reviews of assurance engagements for state and local government clients across the firm. She also serves as a technical resource for engagement teams performing state and local government engagements. Prior to her time in the National Assurance Technical Group, Heather specialized in financial and single audits for state and local governments, including school districts, counties, cities, and other government agencies.

Technical experience

- Governmental auditing and accounting with an emphasis on state and local agencies, including single audits
- Nonprofit auditing and accounting, including single audits

Education and professional involvement

- Master of business administration from the University of Baltimore
- Bachelor of science in accounting from the University of Baltimore
- Certified Public Accountant, Maryland and Virginia
- Maryland Association of Certified Public Accountants
- Virginia Association of Certified Public Accountants
- American Institute of Certified Public Accountants

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Jessica Aniskoff, CPA, MBA

CLA (CliftonLarsonAllen LLP)

Manager
West Hartford, Connecticut

860-570-6451
jessica.aniskoff@CLAconnect.com



Profile

Jessica provides audit services, supervises fieldwork, oversees staff accountants during engagements, and is responsible for the completion of financial statements.

She has more than 16 years of experience and specializes in municipalities, quasi-government organizations, and water utilities.

Jessica is particularly experienced in compliance audits, as the majority of her clients are subject to federal and state single audit requirements. She has an in-depth understanding of municipal financial reporting and has played an instrumental role in the development of comprehensive financial reports that have qualified for the Government Finance Officers Association Certificate Program.

Technical experience

- Audit and accounting

Education and professional involvement

- Master of business administration in international business from Central Connecticut State University, New Britain, Connecticut
- Bachelor of science in accounting from Central Connecticut State University, New Britain, Connecticut
- Certified Public Accountant
- American Institute of Certified Public Accountants
- Connecticut Society of Certified Public Accountants
 - Governmental Accounting and Auditing Committee, *Past Chairperson*
- Government Finance Officers Association of Connecticut

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Brandon Cathcart, MSA

CLA (CliftonLarsonAllen LLP)

Senior
West Hartford, Connecticut

860-561-6868
brandon.cathcart@CLAconnect.com

Profile

Brandon is an assurance senior with more than five years of experience working with state and local governments.

Technical experience

- State and local government
- Retail
- Nonprofit entities

Education and professional involvement

- Master of science in accounting from Post University, Waterbury, Connecticut
- Bachelor of science in accounting from Post University, Waterbury, Connecticut
 - Delt Mu Delta
 - Magna Cum Laude
 - Alpha Chi
- The National Society of Leadership and Success

Key relevant clients

- City of Stamford
- City of Torrington
- Town of Ellington
- Town of Middlebury
- Town of Burlington
- Connecticut Municipal Electric Energy Cooperative
- Town of Coventry
- Region School District 13

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B. Quality control procedures and peer review report



In the most recent peer review report, dated November 2022, we received a rating of *pass*, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided on the following page.



In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.



Report on the Firm's System of Quality Control

To the Principals of CliftonLarsonAllen LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP (the "Firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards, may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1[®] and SOC 2[®] engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of CliftonLarsonAllen LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. CliftonLarsonAllen LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Cherry Bekaert LLP
Charlotte, North Carolina
November 18, 2022

cbh.com



C. RFP forms



APPENDIX A

SUBMITTAL

Submitted By: CLA Submitted For: Bid #23-25 Date: 4/28/2023

Signature: *Vanessa Rossitto* Firm: CliftonLarsonAllen LLP

Name: Vanessa Rossitto, CPA Address: 29 South Main Street, 4th Floor
West Hartford, CT 06107

Title: Principal

Telephone: 860-561-6824

Professional Staff Size:
Total: 8,976

Governmental Audit Staff: 615

Staff Assigned to Engagement: Refer to Section 5. Principal, Supervisory, and Staff Qualifications and Experience on page 13.

Connecticut Municipal Audit Clients: Refer to Section 6. Similar Engagement with Other Government Entities

- List 2022 Engagements for Municipalities of 40,000 Population or More and/or General Fund Expenditure of \$150 Million or More on page 16.
- Certificate of Achievement Clients: Refer to Section 6. Similar Engagement with Other Government Entities on page 16.

AUDIT FEE	FY23	FY24	FY25	FY26	FY27
TOTAL AUDIT FEE (all inclusive)	\$ 92,000	\$ 96,600	\$ 101,400	\$ 106,500	\$ 111,800

Note: Fees submitted shall be fixed fees for the total engagement. No additional sums will be paid for expenses.



DECLARATION

State of Minnesota
County of Hennepin

I, CHARLES JONES, being duly sworn, depose and say:

I am the General Counsel, Principal of CliftonLarsonAllen LLP ("CLA"). In my role as General Counsel, I have responsibility for legal compliance for CLA.

CLA is a duly formed limited liability partnership under the laws of the State of Minnesota and has been since January 2, 2012. According to the Minnesota Professional Firm Act, any partner or principal of a partnership is permitted to sign on behalf of and legally bind the partnership. As such, any partner or principal of CLA is authorized to sign on behalf of and legally bind CLA.

Vanessa Rossitto, CPA is a Principal of CLA. By virtue of Ms. Rossitto being a Principal of CLA, she has signing authority on behalf of and can legally bind CLA by signing contractual documents on its behalf, including, without limitation, the subject contract.



CHARLES E. JONES

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**TOWN OF EAST HARTFORD, CT
PURCHASING DEPARTMENT**

INTEROFFICE MEMORANDUM

DATE: April 28, 2023
TO: Melissa N. McCaw, Director of Finance
FROM: Michelle Enman, Purchasing Agent
RE: Results of Bid #23-25 - R.F.P. – Professional Auditing Services

Attached is the proposal received for the above listed R.F.P. for your evaluation:

CLA(CliftonLarsonAllen)
Marcum

West Hartford, CT
Hartford, CT

Please send a **copy of all correspondence** regarding this R.F.P. **to the Purchasing Dept.**, including score sheets, short lists, interview notes and original contract. Please contact me for ordinance procedures on how to award a RFP if necessary. Thank you.